

1 General Fund--State Appropriation (FY 2005) (~~(\$28,233,000)~~)
2 \$27,721,000
3 Department of Retirement Systems Expense Account--
4 State Appropriation \$45,000
5 TOTAL APPROPRIATION \$56,387,000

6 The appropriations in this section are subject to the following
7 conditions and limitations: \$25,000 of the general fund--state
8 appropriation is provided for allocation to Project Citizen, a program
9 of the national conference of state legislatures to promote student
10 civic involvement.

11 **Sec. 102.** 2003 1st sp.s. c 25 s 106 (uncodified) is amended to
12 read as follows:

13 **FOR THE JOINT LEGISLATIVE SYSTEMS COMMITTEE**
14 General Fund--State Appropriation (FY 2004) \$6,754,000
15 General Fund--State Appropriation (FY 2005) (~~(\$6,753,000)~~)
16 \$8,153,000
17 TOTAL APPROPRIATION (~~(\$13,507,000)~~)
18 \$14,907,000

19 **Sec. 103.** 2003 1st sp.s. c 25 s 109 (uncodified) is amended to
20 read as follows:

21 **FOR THE SUPREME COURT**
22 General Fund--State Appropriation (FY 2004) (~~(\$5,462,000)~~)
23 \$5,554,000
24 General Fund--State Appropriation (FY 2005) (~~(\$5,665,000)~~)
25 \$5,780,000
26 TOTAL APPROPRIATION (~~(\$11,127,000)~~)
27 \$11,334,000

28 **Sec. 104.** 2003 1st sp.s. c 25 s 110 (uncodified) is amended to
29 read as follows:

30 **FOR THE LAW LIBRARY**
31 General Fund--State Appropriation (FY 2004) (~~(\$2,045,000)~~)
32 \$2,953,000
33 General Fund--State Appropriation (FY 2005) \$2,050,000
34 TOTAL APPROPRIATION (~~(\$4,095,000)~~)
35 \$5,003,000

1 **Sec. 105.** 2003 1st sp.s. c 25 s 111 (uncodified) is amended to
2 read as follows:

3 **FOR THE COURT OF APPEALS**

4	General Fund--State Appropriation (FY 2004)	((\$12,510,000))
5		<u>\$12,547,000</u>
6	General Fund--State Appropriation (FY 2005)	((\$12,747,000))
7		<u>\$12,975,000</u>
8	TOTAL APPROPRIATION	((\$25,257,000))
9		<u>\$25,522,000</u>

10 **Sec. 106.** 2003 1st sp.s. c 25 s 113 (uncodified) is amended to
11 read as follows:

12 **FOR THE ADMINISTRATOR FOR THE COURTS**

13	General Fund--State Appropriation (FY 2004)	((\$17,295,000))
14		<u>\$17,414,000</u>
15	General Fund--State Appropriation (FY 2005)	((\$17,340,000))
16		<u>\$18,158,000</u>
17	Public Safety and Education Account--State	
18	Appropriation	((\$43,389,000))
19		<u>\$44,089,000</u>
20	Judicial Information Systems Account--State	
21	Appropriation	((\$27,903,000))
22		<u>\$31,803,000</u>
23	TOTAL APPROPRIATION	((\$105,927,000))
24		<u>\$111,464,000</u>

25 The appropriations in this section are subject to the following
26 conditions and limitations:

27 (1) The judicial information systems account appropriation shall be
28 used for the operations and maintenance of technology systems that
29 improve services provided by the supreme court, the court of appeals,
30 the office of public defense, and the administrator for the courts.

31 (2) \$750,000 of the general fund--state appropriation for fiscal
32 year 2004 and \$750,000 of the general fund--state appropriation for
33 fiscal year 2005 are provided solely for court-appointed special
34 advocates in dependency matters. The administrator for the courts,
35 after consulting with the association of juvenile court administrators
36 and the association of court-appointed special advocate/guardian ad
37 litem programs, shall distribute the funds to volunteer court-appointed

1 special advocate/guardian ad litem programs. The distribution of
2 funding shall be based on the number of children who need volunteer
3 court-appointed special advocate representation and shall be equally
4 accessible to all volunteer court-appointed special advocate/guardian
5 ad litem programs. The administrator for the courts shall not retain
6 more than six percent of total funding to cover administrative or any
7 other agency costs.

8 (3) \$12,572,000 of the judicial information systems account--state
9 appropriation is provided solely for improvements and enhancements to
10 the judicial information system. (~~This funding shall only be expended
11 after the office of the administrator for the courts certifies to the
12 office of financial management that there will be at least a \$1,000,000
13 ending fund balance in the judicial information systems account at the
14 end of the 2003-05 biennium.~~)

15 (4) \$3,000,000 of the public safety and education account--state
16 appropriation is provided solely for school district petitions to
17 juvenile court for truant students as provided in RCW 28A.225.030 and
18 28A.225.035. The office of the administrator for the courts shall
19 develop an interagency agreement with the office of the superintendent
20 of public instruction to allocate the funding provided in this
21 subsection. Allocation of this money to school districts shall be
22 based on the number of petitions filed.

23 (5) \$13,224,000 of the public safety and education account--state
24 appropriation is provided solely for distribution to county juvenile
25 court administrators to fund the costs of processing truancy, children
26 in need of services, and at-risk youth petitions. The office of the
27 administrator for the courts shall not retain any portion of these
28 funds to cover administrative costs. The office of the administrator
29 for the courts, in conjunction with the juvenile court administrators,
30 shall develop an equitable funding distribution formula. The formula
31 shall neither reward counties with higher than average per-petition
32 processing costs nor shall it penalize counties with lower than average
33 per-petition processing costs.

34 (6) The distributions made under subsection (6) of this section and
35 distributions from the county criminal justice assistance account made
36 pursuant to section 801 of this act constitute appropriate
37 reimbursement for costs for any new programs or increased level of
38 service for purposes of RCW 43.135.060.

1 (7) Each fiscal year during the 2003-05 fiscal biennium, each
 2 county shall report the number of petitions processed and the total
 3 actual costs of processing truancy, children in need of services, and
 4 at-risk youth petitions. Counties shall submit the reports to the
 5 department no later than 45 days after the end of the fiscal year. The
 6 department shall electronically transmit this information to the chairs
 7 and ranking minority members of the house of representatives
 8 appropriations committee and the senate ways and means committee no
 9 later than 60 days after a fiscal year ends. These reports are deemed
 10 informational in nature and are not for the purpose of distributing
 11 funds.

12 (8) \$813,000 of the general fund--state appropriation for fiscal
 13 year 2004 and \$762,000 of the general fund--state appropriation for
 14 fiscal year 2005 are provided solely for billing and related costs for
 15 the office of the administrator for the courts pursuant to Engrossed
 16 Substitute Senate Bill No. 5990 (supervision of offenders).

17 (9) \$1,800,000 of the public safety and education account
 18 appropriation is provided solely for distribution to the county clerks
 19 for the collection of legal financial obligations pursuant to Engrossed
 20 Substitute Senate Bill No. 5990 (supervision of offenders). The
 21 funding shall be distributed by the office of the administrator for the
 22 courts to the county clerks in accordance with the funding formula
 23 determined by the Washington association of county officials pursuant
 24 to Engrossed Substitute Senate Bill No. 5990 (supervision of
 25 offenders).

26 **Sec. 107.** 2003 1st sp.s. c 25 s 114 (uncodified) is amended to
 27 read as follows:

28 **FOR THE OFFICE OF PUBLIC DEFENSE**

29	General Fund--State Appropriation (FY 2004)	\$666,000
30	General Fund--State Appropriation (FY 2005)	\$884,000
31	Public Safety and Education Account--State	
32	Appropriation	((\$12,395,000))
33		<u>\$12,783,000</u>
34	TOTAL APPROPRIATION	((\$13,945,000))
35		<u>\$14,333,000</u>

36 The appropriations in this section are subject to the following
 37 conditions and limitations:

1 (1) \$51,000 of the public safety and education account
2 appropriation is provided solely for the office of public defense's
3 costs in implementing chapter 303, Laws of 1999 (court funding).

4 (2) Amounts provided from the public safety and education account
5 appropriation in this section include funding for investigative
6 services in death penalty personal restraint petitions.

7 **Sec. 108.** 2003 1st sp.s. c 25 s 115 (uncodified) is amended to
8 read as follows:

9 **FOR THE OFFICE OF THE GOVERNOR**

10	General Fund--State Appropriation (FY 2004)	\$3,773,000
11	General Fund--State Appropriation (FY 2005)	(\$3,776,000)
12		<u>\$4,111,000</u>
13	General Fund--Federal Appropriation	\$1,140,000
14	Water Quality Account--State	
15	Appropriation	\$3,854,000
16	TOTAL APPROPRIATION	(\$12,543,000)
17		<u>\$12,878,000</u>

18 The appropriations in this section are subject to the following
19 conditions and limitations:

20 (1) \$3,854,000 of the water quality account appropriation and
21 \$1,140,000 of the general fund--federal appropriation are provided
22 solely for the Puget Sound water quality action team to implement the
23 Puget Sound work plan and agency action items PSAT-01 through PSAT-05.

24 (2) \$100,000 of the general fund--state appropriation for fiscal
25 year 2005 is provided solely for the development of kindergarten
26 readiness guidelines, in collaboration with the office of the
27 superintendent of public instruction.

28 **Sec. 109.** 2003 1st sp.s. c 25 s 118 (uncodified) is amended to
29 read as follows:

30 **FOR THE SECRETARY OF STATE**

31	General Fund--State Appropriation (FY 2004)	(\$24,336,000)
32		<u>\$18,298,000</u>
33	General Fund--State Appropriation (FY 2005)	\$17,092,000
34	General Fund--Federal Appropriation	\$6,967,000
35	Archives and Records Management Account--State	
36	Appropriation	(\$8,150,000)

1		<u>\$8,414,000</u>
2	Department of Personnel Service Account--State	
3	Appropriation	\$699,000
4	<u>Election Account--State Appropriation</u>	<u>\$3,140,000</u>
5	Election Account--Federal Appropriation	((\$13,121,000))
6		<u>\$33,121,000</u>
7	Local Government Archives Account--State Appropriation (((\$7,067,000))	
8		<u>\$9,010,000</u>
9	TOTAL APPROPRIATION	((\$77,432,000))
10		<u>\$96,741,000</u>

11 The appropriations in this section are subject to the following
12 conditions and limitations:

13 (1) \$2,296,000 of the general fund--state appropriation for fiscal
14 year 2004 is provided solely to reimburse counties for the state's
15 share of primary and general election costs and the costs of conducting
16 mandatory recounts on state measures. Counties shall be reimbursed
17 only for those odd-year election costs that the secretary of state
18 validates as eligible for reimbursement.

19 (2) \$1,826,000 of the general fund--state appropriation for fiscal
20 year 2004 and \$2,686,000 of the general fund--state appropriation for
21 fiscal year 2005 are provided solely for the verification of initiative
22 and referendum petitions, maintenance of related voter registration
23 records, and the publication and distribution of the voters and
24 candidates pamphlet.

25 (3) \$125,000 of the general fund--state appropriation for fiscal
26 year 2004 and \$118,000 of the general fund--state appropriation for
27 fiscal year 2005 are provided solely for legal advertising of state
28 measures under RCW 29.27.072.

29 (4)(a) \$1,944,004 of the general fund--state appropriation for
30 fiscal year 2004 and \$1,986,772 of the general fund--state
31 appropriation for fiscal year 2005 are provided solely for contracting
32 with a nonprofit organization to produce gavel-to-gavel television
33 coverage of state government deliberations and other events of
34 statewide significance during the 2003-05 biennium. The funding level
35 for each year of the contract shall be based on the amount provided in
36 this subsection. The nonprofit organization shall be required to raise
37 contributions or commitments to make contributions, in cash or in kind,
38 in an amount equal to forty percent of the state contribution. The

1 office of the secretary of state may make full or partial payment once
2 all criteria in (a) and (b) of this subsection have been satisfactorily
3 documented.

4 (b) The legislature finds that the commitment of on-going funding
5 is necessary to ensure continuous, autonomous, and independent coverage
6 of public affairs. For that purpose, the secretary of state shall
7 enter into a four-year contract with the nonprofit organization to
8 provide public affairs coverage through June 30, 2006.

9 (c) The nonprofit organization shall prepare an annual independent
10 audit, an annual financial statement, and an annual report, including
11 benchmarks that measure the success of the nonprofit organization in
12 meeting the intent of the program.

13 (d) No portion of any amounts disbursed pursuant to this subsection
14 may be used, directly or indirectly, for any of the following purposes:

15 (i) Attempting to influence the passage or defeat of any
16 legislation by the legislature of the state of Washington, by any
17 county, city, town, or other political subdivision of the state of
18 Washington, or by the congress, or the adoption or rejection of any
19 rule, standard, rate, or other legislative enactment of any state
20 agency;

21 (ii) Making contributions reportable under chapter 42.17 RCW; or

22 (iii) Providing any: (A) Gift; (B) honoraria; or (C) travel,
23 lodging, meals, or entertainment to a public officer or employee.

24 (5) (~~(\$6,038,000 of the general fund state appropriation for~~
25 ~~fiscal year 2004 is provided solely to reimburse the counties for the~~
26 ~~state's share of the cost of conducting the presidential primary.))~~
27 \$252,000 of the archives and records management account--state
28 appropriation and \$1,504,000 of the local government archives account--
29 state appropriation are provided solely for additional facility capital
30 costs, digital archive technology architecture costs, and additional
31 digital archive staff and operational costs, associated with the new
32 eastern regional archives and digital archives facility.

33 **Sec. 110.** 2003 1st sp.s. c 25 s 119 (uncodified) is amended to
34 read as follows:

35 **FOR THE GOVERNOR'S OFFICE OF INDIAN AFFAIRS**

36 General Fund--State Appropriation (FY 2004)	(\$228,000)
37	<u>\$242,000</u>

1 General Fund--State Appropriation (FY 2005) ((~~\$239,000~~))
 2 \$242,000
 3 TOTAL APPROPRIATION ((~~\$467,000~~))
 4 \$484,000

5 **Sec. 111.** 2003 1st sp.s. c 25 s 121 (uncodified) is amended to
 6 read as follows:

7 **FOR THE STATE TREASURER**
 8 State Treasurer's Service Account--State
 9 Appropriation ((~~\$13,149,000~~))
 10 \$13,463,000

11 **Sec. 112.** 2003 1st sp.s. c 25 s 123 (uncodified) is amended to
 12 read as follows:

13 **FOR THE CITIZENS' COMMISSION ON SALARIES FOR ELECTED OFFICIALS**
 14 General Fund--State Appropriation (FY 2004) ((~~\$83,000~~))
 15 \$112,000
 16 General Fund--State Appropriation (FY 2005) ((~~\$157,000~~))
 17 \$192,000
 18 TOTAL APPROPRIATION ((~~\$240,000~~))
 19 \$304,000

20 **Sec. 113.** 2003 1st sp.s. c 25 s 124 (uncodified) is amended to
 21 read as follows:

22 **FOR THE ATTORNEY GENERAL**
 23 General Fund--State Appropriation (FY 2004) ((~~\$4,057,000~~))
 24 \$4,349,000
 25 General Fund--State Appropriation (FY 2005) \$4,109,000
 26 General Fund--Federal Appropriation \$2,845,000
 27 Public Safety and Education Account--State
 28 Appropriation ((~~\$1,814,000~~))
 29 \$2,001,000
 30 Tobacco Prevention and Control Account--State
 31 Appropriation \$270,000
 32 New Motor Vehicle Arbitration Account--State
 33 Appropriation \$1,180,000
 34 Legal Services Revolving Account--State
 35 Appropriation ((~~\$165,275,000~~))

1 \$166,554,000
 2 TOTAL APPROPRIATION ((~~\$179,550,000~~))
 3 \$181,308,000

4 The appropriations in this section are subject to the following
 5 conditions and limitations:

6 (1) The attorney general shall report each fiscal year on actual
 7 legal services expenditures and actual attorney staffing levels for
 8 each agency receiving legal services. The report shall be submitted to
 9 the office of financial management and the fiscal committees of the
 10 senate and house of representatives no later than ninety days after the
 11 end of each fiscal year.

12 (2) Prior to entering into any negotiated settlement of a claim
 13 against the state that exceeds five million dollars, the attorney
 14 general shall notify the director of financial management and the
 15 chairs of the senate committee on ways and means and the house of
 16 representatives committee on appropriations.

17 **Sec. 114.** 2003 1st sp.s. c 25 s 126 (uncodified) is amended to
 18 read as follows:

19 **FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT**
 20 General Fund--State Appropriation (FY 2004) ((~~\$61,459,000~~))
 21 \$62,899,000
 22 General Fund--State Appropriation (FY 2005) ((~~\$60,801,000~~))
 23 \$65,616,000
 24 General Fund--Federal Appropriation ((~~\$213,287,000~~))
 25 \$236,021,000
 26 General Fund--Private/Local Appropriation ((~~\$10,574,000~~))
 27 \$15,075,000
 28 Public Safety and Education Account--State
 29 Appropriation ((~~\$10,095,000~~))
 30 \$13,995,000
 31 Public Works Assistance Account--State
 32 Appropriation ((~~\$1,913,000~~))
 33 \$2,113,000
 34 Building Code Council Account--State
 35 Appropriation \$1,061,000
 36 Administrative Contingency Account--State
 37 Appropriation \$1,776,000

1	Low-Income Weatherization Assistance Account--State	
2	Appropriation	((\$3,293,000))
3		<u>\$8,293,000</u>
4	Violence Reduction and Drug Enforcement Account--	
5	State Appropriation	\$9,013,000
6	Manufactured Home Installation Training Account--	
7	State Appropriation	\$256,000
8	Community Economic Development Account--	
9	State Appropriation	((\$1,909,000))
10		<u>\$1,581,000</u>
11	Washington Housing Trust Account--State	
12	Appropriation	\$16,740,000
13	Public Facility Construction Loan Revolving	
14	Account--State Appropriation	\$622,000
15	Lead Paint Account--State Appropriation	\$6,000
16	<u>Developmental Disabilities Endowment Trust Fund--</u>	
17	<u>State Appropriation</u>	<u>\$120,000</u>
18	TOTAL APPROPRIATION	((\$392,805,000))
19		<u>\$435,187,000</u>

20 The appropriations in this section are subject to the following
21 conditions and limitations:

22 (1) \$2,838,000 of the general fund--state appropriation for fiscal
23 year 2004 and \$2,838,000 of the general fund--state appropriation for
24 fiscal year 2005 are provided solely for a contract with the Washington
25 technology center. For work essential to the mission of the Washington
26 technology center and conducted in partnership with universities, the
27 center shall not pay any increased indirect rate nor increases in other
28 indirect charges above the absolute amount paid during the 1995-97
29 fiscal biennium.

30 (2) \$61,000 of the general fund--state appropriation for fiscal
31 year 2004 and \$62,000 of the general fund--state appropriation for
32 fiscal year 2005 are provided solely for the implementation of the
33 Puget Sound work plan and agency action item OCD-01.

34 (3) \$10,180,797 of the general fund--federal appropriation is
35 provided solely for the drug control and system improvement formula
36 grant program, to be distributed in state fiscal year 2004 as follows:

37 (a) \$3,551,972 to local units of government to continue
38 multijurisdictional narcotics task forces;

1 (b) \$611,177 to the department to continue the drug prosecution
2 assistance program in support of multijurisdictional narcotics task
3 forces;

4 (c) \$1,343,603 to the Washington state patrol for coordination,
5 investigative, and supervisory support to the multijurisdictional
6 narcotics task forces and for methamphetamine education and response;

7 (d) \$197,154 to the department for grants to support tribal law
8 enforcement needs;

9 (e) \$976,897 to the department of social and health services,
10 division of alcohol and substance abuse, for drug courts in eastern and
11 western Washington;

12 (f) \$298,246 to the department for training and technical
13 assistance of public defenders representing clients with special needs;

14 (g) \$687,155 to the department to continue domestic violence legal
15 advocacy;

16 (h) \$890,150 to the department of social and health services,
17 juvenile rehabilitation administration, to continue youth violence
18 prevention and intervention projects;

19 (i) \$60,000 to the department for community-based advocacy services
20 to victims of violent crime, other than sexual assault and domestic
21 violence;

22 (j) \$89,705 to the department to continue the governor's council on
23 substance abuse;

24 (k) \$97,591 to the department to continue evaluation of Byrne
25 formula grant programs;

26 (l) \$572,919 to the office of financial management for criminal
27 history records improvement; and

28 (m) \$804,228 to the department for required grant administration,
29 monitoring, and reporting on Byrne formula grant programs.

30 These amounts represent the maximum Byrne grant expenditure
31 authority for each program. No program may expend Byrne grant funds in
32 excess of the amounts provided in this subsection. If moneys in excess
33 of those appropriated in this subsection become available, whether from
34 prior or current fiscal year Byrne grant distributions, the department
35 shall hold these moneys in reserve and may not expend them without
36 specific appropriation. These moneys shall be carried forward and
37 applied to the pool of moneys available for appropriation for programs
38 and projects in the succeeding fiscal year. As part of its budget

1 request for the succeeding year, the department shall estimate and
2 request authority to spend any funds remaining in reserve as a result
3 of this subsection.

4 (4) \$125,000 of the general fund--state appropriation for fiscal
5 year 2004 and \$125,000 of the general fund--state appropriation for
6 fiscal year 2005 are provided solely for implementing the industries of
7 the future strategy.

8 (5) \$200,000 of the general fund--state appropriation for fiscal
9 year 2004 and \$200,000 of the general fund--state appropriation for
10 fiscal year 2005 are provided solely for a contract with the Washington
11 manufacturing services.

12 (6) \$205,000 of the general fund--state appropriation for fiscal
13 year 2004 and \$205,000 of the general fund--state appropriation for
14 fiscal year 2005 are provided solely for grants to Washington Columbia
15 River Gorge counties to implement their responsibilities under the
16 national scenic area management plan. Of this amount, \$390,000 is
17 provided for Skamania county and \$20,000 is provided for Clark county.

18 (7) \$50,000 of the general fund--state appropriation for fiscal
19 year 2004 and \$50,000 of the general fund--state appropriation for
20 fiscal year 2005 are provided solely for a contract with international
21 trade alliance of Spokane.

22 (8) \$5,085,000 of the general fund--state appropriation for fiscal
23 year 2004, \$5,085,000 of the general fund--state appropriation for
24 fiscal year 2005, \$4,250,000 of the general fund--federal
25 appropriation, and \$6,145,000 of the Washington housing trust account
26 are provided solely for providing housing and shelter for homeless
27 people, including but not limited to grants to operate, repair, and
28 staff shelters; grants to operate transitional housing; partial
29 payments for rental assistance; consolidated emergency assistance;
30 overnight youth shelters; and emergency shelter assistance.

31 (9) (~~(\$697,000)~~) \$369,000 of the community economic development
32 account appropriation (~~(is)~~) and \$120,000 of the developmental
33 disabilities endowment trust fund appropriation are provided solely for
34 support of the developmental disabilities endowment governing board and
35 costs of the endowment program. The governing board may use
36 appropriations to implement a sliding-scale fee waiver for families
37 earning below 150 percent of the state median family income.

1 (10) \$800,000 of the general fund--federal appropriation and \$6,000
2 of the lead paint account--state appropriation are provided solely to
3 implement Engrossed Substitute Senate Bill No. 5586 (lead-based paint).
4 If the bill is not enacted by June 30, 2003, the amounts provided in
5 this subsection shall lapse.

6 (11) \$300,000 of the general fund--state appropriation for fiscal
7 year 2004 and \$300,000 of the general fund--state appropriation for
8 fiscal year 2005 are provided solely for the business retention and
9 expansion program to fund contracts with locally based development
10 organizations for local business and job retention activities.

11 (12) \$200,000 of the general fund--state appropriation for fiscal
12 year 2004 and \$200,000 of the general fund--state appropriation for
13 fiscal year 2005 are provided solely for the tourism office to market
14 Washington state as a travel destination to northwest states,
15 California, and British Columbia. By December 1, 2004, the department
16 shall report to the relevant legislative policy and fiscal committees
17 on the effectiveness of these expenditures.

18 (13) \$200,000 of the general fund--state appropriation for fiscal
19 year 2004 and \$200,000 of the general fund--state appropriation for
20 fiscal year 2005 are provided solely for business development
21 activities to conduct statewide and/or regional business recruitment
22 and client lead generation services.

23 (14) \$60,000 of the general fund--state appropriation for fiscal
24 year 2004 and \$60,000 of the general fund--state appropriation for
25 fiscal year 2005 are provided solely for the community services block
26 grant program for pass-through to community action agencies.

27 (15) \$26,862,000 of the general fund--state appropriation for
28 fiscal year 2004 and \$26,862,000 of the general fund--state
29 appropriation for fiscal year 2005 are provided solely for providing
30 early childhood education assistance.

31 (16) Within the amounts appropriated in this section, funding is
32 provided for Washington state dues for the Pacific northwest economic
33 region.

34 (17) \$200,000 of the general fund--state appropriation for fiscal
35 year 2004 and \$200,000 of the general fund--state appropriation for
36 fiscal year 2005 are provided solely for the foreign offices (overseas
37 representatives) to expand local capacity for China, expand operations

1 in Shanghai, Beijing and Hong Kong, and in Mexico to assist Washington
2 exporters in expanding their sales opportunities.

3 (18) \$600,000 of the public safety and education account
4 appropriation is provided solely for sexual assault prevention and
5 treatment programs.

6 (19) \$65,000 of the general fund--state appropriation for fiscal
7 year 2004 and \$65,000 of the general fund--state appropriation for
8 fiscal year 2005 are provided solely for a contract with a food
9 distribution program for communities in the southwestern portion of the
10 state and for workers impacted by timber and salmon fishing closures
11 and reductions. The department may not charge administrative overhead
12 or expenses to the funds provided in this subsection.

13 (20) Repayments of outstanding loans granted under RCW 43.63A.600,
14 the mortgage and rental assistance program, shall be remitted to the
15 department, including any current revolving account balances. The
16 department shall contract with a lender or contract collection agent to
17 act as a collection agent of the state. The lender or contract
18 collection agent shall collect payments on outstanding loans, and
19 deposit them into an interest-bearing account. The funds collected
20 shall be remitted to the department quarterly. Interest earned in the
21 account may be retained by the lender or contract collection agent, and
22 shall be considered a fee for processing payments on behalf of the
23 state. Repayments of loans granted under this chapter shall be made to
24 the lender or contract collection agent as long as the loan is
25 outstanding, notwithstanding the repeal of the chapter.

26 (21) Within amounts provided in this section, sufficient funding is
27 provided to implement Engrossed House Bill No. 1090 (trafficking of
28 persons).

29 (22) \$10,208,818 of the general fund--federal appropriation is
30 provided solely for the drug control and system improvement formula
31 grant program, to be distributed in state fiscal year 2005 as follows:

32 (a) \$3,533,522 to local units of government to continue
33 multijurisdictional narcotics task forces;

34 (b) \$608,002 to the department to continue the drug prosecution
35 assistance program in support of multijurisdictional narcotics task
36 forces;

37 (c) \$1,336,624 to the Washington state patrol for coordination,

1 investigative, and supervisory support to the multijurisdictional
2 narcotics task forces and for methamphetamine education and response;

3 (d) \$196,130 to the department for grants to support tribal law
4 enforcement needs;

5 (e) \$971,823 to the department of social and health services,
6 division of alcohol and substance abuse, for drug courts in eastern and
7 western Washington;

8 (f) \$296,697 to the department for training and technical
9 assistance of public defenders representing clients with special needs;

10 (g) \$683,586 to the department to continue domestic violence legal
11 advocacy;

12 (h) \$885,526 to the department of social and health services,
13 juvenile rehabilitation administration, to continue youth violence
14 prevention and intervention projects;

15 (i) \$59,688 to the department for community-based advocacy services
16 to victims of violent crime, other than sexual assault and domestic
17 violence;

18 (j) \$89,239 to the department to continue the governor's council on
19 substance abuse;

20 (k) \$97,084 to the department to continue evaluation of Byrne
21 formula grant programs;

22 (l) \$650,846 to the office of financial management for criminal
23 history records improvement; and

24 (m) \$800,051 to the department for required grant administration,
25 monitoring, and reporting on Byrne formula grant programs.

26 These amounts represent the maximum Byrne grant expenditure
27 authority for each program. No program may expend Byrne grant funds in
28 excess of the amounts provided in this subsection. If moneys in excess
29 of those appropriated in this subsection become available, whether from
30 prior or current fiscal year Byrne grant distributions, the department
31 shall hold those moneys in reserve and may not expend them without
32 specific appropriation. These moneys shall be carried forward and
33 applied to the pool of moneys available for appropriation for programs
34 and projects in the succeeding fiscal year. As part of its budget
35 request for the succeeding year, the department shall estimate and
36 request authority to spend any funds remaining in reserve as a result
37 of this subsection.

1 (23) \$3,900,000 of the public safety and education account is
2 provided solely to increase civil legal indigent services. If
3 legislation increasing court filing fees is not enacted by June 30,
4 2004, the amounts provided in this subsection shall lapse.

5 (24) \$80,000 of the general fund--state appropriation for fiscal
6 year 2005 is provided solely to develop a state plan to address how the
7 state can improve coordination between state and local partners to
8 substantially reduce the incidence of homelessness.

9 (25) \$100,000 of the general fund--state appropriation for fiscal
10 year 2004 and \$400,000 of the general fund--state appropriation for
11 fiscal year 2005 are provided solely for the purpose of supporting the
12 activities of state agencies and local communities related to the 2005
13 base realignment and closure commission process. The department shall
14 develop and implement criteria and procedures such as the types of
15 activities that can be funded by the grants and requirements for local
16 matching funds for the issuance of grants to one organization within
17 each county that has within its borders a federal military installation
18 that employs one hundred or more personnel and that is operated by the
19 United States department of defense. The department shall use a
20 portion of the funding provided to support the related activities of
21 state agencies as identified by the office of the governor.

22 (26) \$90,000 of the general fund--state appropriation for fiscal
23 year 2004 and \$335,000 of the general fund--state appropriation for
24 fiscal year 2005 are provided solely to develop, coordinate, and
25 implement a statewide 2010 Olympics strategic plan. The department
26 shall submit a six-year business plan to the governor and the
27 legislature by September 1, 2004.

28 **Sec. 115.** 2003 1st sp.s. c 25 s 128 (uncodified) is amended to
29 read as follows:

30 **FOR THE OFFICE OF FINANCIAL MANAGEMENT**

31	General Fund--State Appropriation (FY 2004)	((\$12,662,000))
32		<u>\$12,602,000</u>
33	General Fund--State Appropriation (FY 2005)	((\$12,383,000))
34		<u>\$12,693,000</u>
35	General Fund--Federal Appropriation	((\$23,500,000))
36		<u>\$23,924,000</u>

37 Violence Reduction and Drug Enforcement

1	Account--State Appropriation	\$242,000
2	State Auditing Services Revolving	
3	Account--State Appropriation	\$25,000
4	TOTAL APPROPRIATION	((\$48,812,000))
5		<u>\$49,486,000</u>

6 The appropriations in this section are subject to the following
7 conditions and limitations:

8 (1) ((~~\$127,000~~)) \$67,000 of the general fund--state appropriation
9 for fiscal year 2004 and ((~~\$122,000~~)) \$182,000 of the general fund--
10 state appropriation for fiscal year 2005 are provided solely to
11 implement Second Substitute Senate Bill No. 5694 (integrated permit
12 system). If the bill is not enacted by June 30, 2003, the amounts
13 provided in this subsection shall lapse.

14 (2) By November 15, 2003, the office of financial management shall
15 report to the house of representatives committees on appropriations,
16 capital budget, and transportation and to the senate committees on ways
17 and means and highways and transportation on the ten general priorities
18 of government upon which the 2005-07 biennial budgets will be
19 structured. Each priority must include a proposed set of cross agency
20 activities with definitions and outcome measures. For historical
21 comparisons, the 2001-03 expenditures and 2003-05 appropriations must
22 be restated in this format and organized by priority, activity, fund
23 source, and agency.

24 (3) \$250,000 of the general fund--state appropriation for fiscal
25 year 2005 is provided solely for the development of a set of
26 sustainability indicators for the state.

27 **Sec. 116.** 2003 1st sp.s. c 25 s 129 (uncodified) is amended to
28 read as follows:

29 **FOR THE OFFICE OF ADMINISTRATIVE HEARINGS**

30	Administrative Hearings Revolving Account--State	
31	Appropriation	((\$24,619,000))
32		<u>\$28,846,000</u>

33 **Sec. 117.** 2003 1st sp.s. c 25 s 130 (uncodified) is amended to
34 read as follows:

35 **FOR THE DEPARTMENT OF PERSONNEL**

36 Department of Personnel Service Account--State

1	Appropriation	\$16,247,000
2	Higher Education Personnel Services Account--State	
3	Appropriation	\$1,612,000
4	TOTAL APPROPRIATION	\$17,859,000

5 The appropriations in this section are subject to the following
6 conditions and limitations:

7 (1) The department is authorized to enter into a financing contract
8 for up to ((~~\$32,095,000~~)) \$38,911,000, plus necessary financing
9 expenses and required reserves, pursuant to chapter 39.94 RCW. The
10 contract shall be to purchase, develop, and implement a new statewide
11 payroll system and shall be for a term of not more than twelve years.
12 The legislature recognizes the critical nature of the human resource
13 management system and its relationship to successful implementation of
14 civil service reform, collective bargaining, and the ability to permit
15 contracting out of services to the private sector. Projects of this
16 size and complexity have many risks associated with their successful
17 and timely completion, therefore, to help ensure project success, the
18 department of personnel and the office of financial management shall
19 jointly report to the legislature by January 15, 2004, on progress
20 toward implementing the human resource management system. The report
21 shall include a description of mitigation strategies employed to
22 address the risks related to: Business requirements not fully defined
23 at the project outset; short time frame for system implementation; and
24 delays experienced by other states. The report shall assess the
25 probability of meeting the system implementation schedule and recommend
26 contingency strategies as needed. The report shall establish the
27 timelines, the critical path, and the dependencies for realizing each
28 of the benefits articulated in the system feasibility study.

29 (2) The department shall coordinate with the governor's office of
30 Indian affairs on providing one-day government to government training
31 sessions for federal, state, local, and tribal government employees.
32 The training sessions must cover tribal historical perspectives, legal
33 issues, tribal sovereignty, and tribal governments. Costs of the
34 training sessions shall be recouped through a fee charged to the
35 participants of each session.

36 **Sec. 118.** 2003 1st sp.s. c 25 s 140 (uncodified) is amended to
37 read as follows:

1 **FOR THE OFFICE OF MINORITY AND WOMEN'S BUSINESS ENTERPRISES**

2 OMWBE Enterprises Account--State

3 Appropriation \$1,990,000

4 The appropriation in this section is subject to the following
5 conditions and limitations:

6 (1) The office's revolving fund charges to state agencies may not
7 exceed (~~(\$1,282,000)~~) \$1,534,000.

8 (2) During the 2003-05 biennium, the office may receive gifts,
9 grants, or endowments from public or private sources that are made from
10 time to time, in trust or otherwise, for the use and benefit of the
11 purposes of the office and spend gifts, grants, or endowments or income
12 from the public or private sources according to their terms, unless the
13 receipt of the gifts, grants, or endowments violates RCW 42.17.710.

14 (3) During (~~fiscal year 2004~~) the 2003-05 biennium, the office
15 may raise fees in excess of the fiscal growth factor.

16 **Sec. 119.** 2003 1st sp.s. c 25 s 141 (uncodified) is amended to
17 read as follows:

18 **FOR THE DEPARTMENT OF GENERAL ADMINISTRATION**

19 General Fund--State Appropriation (FY 2004) (~~(\$193,000)~~)
20 \$235,000

21 General Fund--State Appropriation (FY 2005) (~~(\$275,000)~~)
22 \$233,000

23 General Fund--Federal Appropriation (~~(\$3,215,000)~~)
24 \$3,865,000

25 General Administration Services Account--State

26 Appropriation (~~(\$38,086,000)~~)
27 \$38,596,000

28 TOTAL APPROPRIATION (~~(\$41,769,000)~~)
29 \$42,929,000

30 **Sec. 120.** 2003 1st sp.s. c 25 s 142 (uncodified) is amended to
31 read as follows:

32 **FOR THE DEPARTMENT OF INFORMATION SERVICES**

33 General Fund--State Appropriation (FY 2004) \$1,000,000

34 General Fund--State Appropriation (FY 2005) (~~(\$1,000,000)~~)
35 \$2,000,000

36 Data Processing Revolving Account--State Appropriation . . \$3,569,000

1 TOTAL APPROPRIATION ((~~\$5,569,000~~))
2 \$6,569,000

3 The appropriations in this section are subject to the following
4 conditions and limitations: \$1,000,000 of the general fund--state
5 appropriation for fiscal year 2004 and (~~(\$1,000,000)~~) \$2,000,000 of the
6 general fund--state appropriation for fiscal year 2005 are provided
7 solely for the digital learning commons to create a demonstration
8 project, in collaboration with schools, which will provide a web-based
9 portal where students, parents, and teachers from around the state will
10 have access to digital curriculum resources, learning tools, and online
11 classes. The intent is to establish a clearinghouse of high quality
12 online courses and curriculum materials that are aligned with the
13 state's essential learning requirements. The clearinghouse shall be
14 designed for ease of use and shall pool the purchasing power of the
15 state so that these resources and courses are affordable and accessible
16 to schools, teachers, students, and parents. These appropriations are
17 subject to the following conditions and limitations:

18 (1) The funding provided in this section shall be expended
19 primarily for acquiring online courses and curriculum materials that
20 are aligned with the state "essential learning requirements" and that
21 meet standards of quality. No more than ten percent of the funds
22 provided in this subsection shall be used for administrative expenses
23 of the digital learning commons.

24 (2) To the maximum extent possible, funds shall be used on
25 demonstration projects that utilize online course materials and
26 curricula that are already available. The commons may also consider
27 utilizing existing products in establishing the entire digital learning
28 commons.

29 (3) By September 1, 2003, the digital learning commons shall begin
30 offering access to and reimbursement for online courses and services.

31 (4) In consultation with the department of information services,
32 the office of financial management shall monitor compliance with these
33 conditions and limitations. By February 1, 2004, the digital learning
34 commons shall submit a report to the governor and the appropriate
35 legislative committees detailing the types of courses and services
36 offered and the number of students served through the digital learning
37 commons.

1 **Sec. 121.** 2003 1st sp.s. c 25 s 143 (uncodified) is amended to
2 read as follows:

3 **FOR THE INSURANCE COMMISSIONER**

4	General Fund--Federal Appropriation	\$631,000
5	Insurance Commissioners Regulatory Account--State	
6	Appropriation	(\$32,307,000)
7		<u>\$33,009,000</u>
8	TOTAL APPROPRIATION	(\$32,938,000)
9		<u>\$33,640,000</u>

10 **Sec. 122.** 2003 1st sp.s. c 25 s 146 (uncodified) is amended to
11 read as follows:

12 **FOR THE HORSE RACING COMMISSION**

13 Horse Racing Commission Account--State

14	Appropriation	\$4,609,000
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15 The appropriation in this section is subject to the following
16 conditions and limitations: During fiscal year 2005, the commission
17 may raise license fees in excess of the fiscal growth factor as
18 provided in RCW 43.135.055.

19 **Sec. 123.** 2003 1st sp.s. c 25 s 147 (uncodified) is amended to
20 read as follows:

21 **FOR THE LIQUOR CONTROL BOARD**

22	General Fund--State Appropriation (FY 2004)	\$1,454,000
23	General Fund--State Appropriation (FY 2005)	\$1,455,000
24	Liquor Control Board Construction and Maintenance	
25	Account--State Appropriation	\$5,717,000
26	Liquor Revolving Account--State	
27	Appropriation	(\$133,842,000)
28		<u>\$134,918,000</u>
29	TOTAL APPROPRIATION	(\$142,468,000)
30		<u>\$143,544,000</u>

31 The appropriations in this section are subject to the following
32 conditions and limitations:

33 (1) \$2,000,000 of the liquor revolving account appropriation is
34 provided solely for the costs associated with ~~((the completion of))~~ the
35 merchandising business system, with priority placed on the point of

1 sale component of the system. Actual expenditures are limited to the
2 balance of funds remaining from the \$4,803,000 appropriation provided
3 for the merchandise business system in the 2001-03 budget.

4 (2) \$1,309,000 of the liquor revolving account appropriation is
5 provided solely for the costs associated with (~~pur~~chasing merchandise
6 ~~business system software and hardware related items, and hiring system-~~
7 ~~related staff~~) the merchandising business system solution, with
8 priority placed on the point of sale component of the system. These
9 costs include hiring system-related staff and procuring system-related
10 hardware and software.

11 (3) As required under RCW 66.16.010, the liquor control board shall
12 add an equivalent surcharge of \$0.42 per liter on all retail sales of
13 spirits, excluding licensee, military and tribal sales, effective no
14 later than September 1, 2003. The intent of this surcharge is to raise
15 \$14,000,000 in additional revenue for the 2003-05 biennium. To the
16 extent that a lesser surcharge is sufficient to raise \$14,000,000, the
17 board may reduce the amount of the surcharge. The board shall remove
18 the surcharge once it generates \$14,000,000, but no later than June 30,
19 2005.

20 **Sec. 124.** 2003 1st sp.s. c 25 s 148 (uncodified) is amended to
21 read as follows:

22 **FOR THE UTILITIES AND TRANSPORTATION COMMISSION**

23 Public Service Revolving Account--State

24 Appropriation	((\$25,872,000))
	<u>\$26,394,000</u>
26 Pipeline Safety Account--State	
27 Appropriation	\$2,768,000
28 Pipeline Safety Account--Federal	
29 Appropriation	\$1,041,000
30 TOTAL APPROPRIATION	((\$29,681,000))
	<u>\$30,203,000</u>

31

32 The appropriations in this section are subject to the following
33 conditions and limitations:

34 (1) The commission shall report back to the appropriate policy
35 committees of the legislature by July 1st of 2003 and 2004 a list of
36 authorized out-of-state travel for the preceding calendar year.

1 ~~((3))~~ (2) \$135,000 of the public services revolving account
 2 appropriation and \$15,000 of the pipeline safety account--state
 3 appropriation are provided solely for the implementation of the
 4 commission's financial systems project. If final approval for the
 5 project is not granted by the office of financial management, the
 6 amounts provided in this subsection shall lapse.

7 ~~((4) \$200,000 of the public services revolving account
 8 appropriation is provided solely for an interagency transfer to the
 9 joint legislative audit and review committee for the implementation of
 10 Substitute House Bill No. 1013 (UTC performance audit). If the bill is
 11 not enacted by June 30, 2003, the amount provided in this subsection
 12 shall lapse.))~~

13 **Sec. 125.** 2003 1st sp.s. c 25 s 150 (uncodified) is amended to
 14 read as follows:

15 **FOR THE MILITARY DEPARTMENT**

16	General Fund--State Appropriation (FY 2004)	((\$8,486,000))
17		<u>\$8,578,000</u>
18	General Fund--State Appropriation (FY 2005)	((\$8,223,000))
19		<u>\$8,466,000</u>
20	General Fund--Federal Appropriation	((\$72,094,000))
21		<u>\$142,933,000</u>
22	General Fund--Private/Local Appropriation	\$371,000
23	Enhanced 911 Account--State Appropriation	\$33,955,000
24	Disaster Response Account--State Appropriation	((\$190,000))
25		<u>\$4,387,000</u>
26	<u>Disaster Response Account--Federal Appropriation</u>	<u>\$18,000,000</u>
27	Worker and Community Right to Know Fund--State	
28	Appropriation	\$290,000
29	Nisqually Earthquake Account--State	
30	Appropriation	((\$13,128,000))
31		<u>\$17,249,000</u>
32	Nisqually Earthquake Account--Federal	
33	Appropriation	((\$48,725,000))
34		<u>\$60,243,000</u>
35	TOTAL APPROPRIATION	((\$185,462,000))
36		<u>\$294,472,000</u>

1 The appropriations in this section are subject to the following
2 conditions and limitations:

3 (1) \$190,000 of the disaster response account--state appropriation
4 is provided solely to develop and implement a disaster grant management
5 system. The military department shall also submit a report quarterly
6 to the office of financial management and the legislative fiscal
7 committees detailing information on the disaster response account,
8 including: (a) The amount and type of deposits into the account; (b)
9 the current available fund balance as of the reporting date; and (c)
10 the projected fund balance at the end of the 2003-05 biennium based on
11 current revenue and expenditure patterns.

12 (2) (~~(\$10,128,000)~~) \$14,249,000 of the Nisqually earthquake
13 account--state appropriation and (~~(\$48,725,000)~~) \$60,243,000 of the
14 Nisqually earthquake account--federal appropriation are provided solely
15 for response and recovery costs associated with the February 28, 2001,
16 earthquake. The military department shall submit a report quarterly to
17 the office of financial management and the legislative fiscal
18 committees detailing earthquake recovery costs, including: (a)
19 Estimates of total costs; (b) incremental changes from the previous
20 estimate; (c) actual expenditures; (d) estimates of total remaining
21 costs to be paid; and (e) estimates of future payments by biennium.
22 This information shall be displayed by fund, by type of assistance, and
23 by amount paid on behalf of state agencies or local organizations. The
24 military department shall also submit a report quarterly to the office
25 of financial management and the legislative fiscal committees detailing
26 information on the Nisqually earthquake account, including: (a) The
27 amount and type of deposits into the account; (b) the current available
28 fund balance as of the reporting date; and (c) the projected fund
29 balance at the end of the 2003-05 biennium based on current revenue and
30 expenditure patterns.

31 (3) \$3,000,000 of the Nisqually earthquake account--state
32 appropriation is provided solely to cover other response and recovery
33 costs associated with the Nisqually earthquake that are not eligible
34 for federal emergency management agency reimbursement. Prior to
35 expending funds provided in this subsection, the military department
36 shall obtain prior approval of the director of financial management.
37 Prior to approving any single project of over \$1,000,000, the office of
38 financial management shall notify the fiscal committees of the

1 legislature. The military department is to submit a quarterly report
2 detailing the costs authorized under this subsection to the office of
3 financial management and the legislative fiscal committees.

4 (4) \$200,000 of the general fund--state appropriation for fiscal
5 year 2004, \$200,000 of the general fund--state appropriation for fiscal
6 year 2005, and (~~(\$43,555,000)~~) \$106,368,000 of the general fund--
7 federal appropriation are provided solely for homeland security, to be
8 distributed as follows:

9 (a) \$9,469,000 of the general fund--federal appropriation to units
10 of local government for homeland security purposes. Any communications
11 equipment purchased shall be consistent with standards set by the
12 Washington state interoperability executive committee;

13 (b) \$200,000 of the general fund--state appropriation for fiscal
14 year 2004, \$200,000 of the general fund--state appropriation for fiscal
15 year 2005, and (~~(\$200,000)~~) \$2,713,000 of the general fund--federal
16 appropriation to the department to conduct the terrorism consequence
17 management program;

18 (c) \$100,000 of the general fund--federal appropriation to the
19 department to conduct a critical infrastructure assessment;

20 (d) (~~(\$500,000)~~) \$700,000 of the general fund--federal
21 appropriation to the office of financial management for the citizen
22 corps and the community emergency response teams;

23 (e) \$1,384,000 of the general fund--federal appropriation to the
24 department to provide homeland security exercise and training
25 opportunities to state and local governments, and to develop, monitor,
26 coordinate, and manage statewide homeland security programs, including
27 required grant administration, monitoring, and reporting;

28 (f) (~~(\$29,917,000)~~) \$90,017,000 of the general fund--federal
29 appropriation for other anticipated homeland security needs. This
30 amount shall not be allotted until a spending plan is approved by the
31 governor's domestic security advisory group and the office of financial
32 management;

33 (g) The remaining general fund--federal appropriation may be
34 expended according to federal requirements;

35 (h) Federal moneys shall be carried forward and applied to the pool
36 of moneys available for appropriation for programs and projects in the
37 succeeding fiscal year. Funding is contingent upon receipt of federal

1 awards. As part of its budget request in each year, the department
2 shall estimate and request authority to spend any federal funds
3 remaining available as a result of this subsection;

4 (i) The department shall submit a quarterly report to the office of
5 financial management and the legislative fiscal committees detailing
6 the governor's domestic security advisory group recommendations;
7 homeland security revenues and expenditures, including estimates of
8 total federal funding for Washington state; incremental changes from
9 the previous estimate, planned and actual homeland security
10 expenditures by the state and local governments with this federal
11 funding; and matching or accompanying state or local expenditures.

12 **Sec. 126.** 2003 1st sp.s. c 25 s 151 (uncodified) is amended to
13 read as follows:

14 **FOR THE PUBLIC EMPLOYMENT RELATIONS COMMISSION**

15	General Fund--State Appropriation (FY 2004)	\$2,362,000
16	General Fund--State Appropriation (FY 2005)	((\$2,436,000))
17		<u>\$2,396,000</u>
18	Department of Personnel Service Account--State	
19	Appropriation	\$2,542,000
20	TOTAL APPROPRIATION	((\$7,340,000))
21		<u>\$7,300,000</u>

22 ~~((The appropriations in this section are subject to the following~~
23 ~~conditions and limitations: \$40,000 of the general fund state~~
24 ~~appropriation for fiscal year 2005 is provided solely for the~~
25 ~~implementation of Second Substitute Senate Bill No. 5012 (charter~~
26 ~~schools). If the bill is not enacted by June 30, 2003, the amount~~
27 ~~provided in this subsection shall lapse.))~~

(End of part)

1 a specified purpose except as expressly provided in subsection (3)(b)
2 of this section.

3 (b) To the extent that transfers under subsection (3)(a) of this
4 section are insufficient to fund actual expenditures in excess of
5 fiscal year 2004 caseload forecasts and utilization assumptions in the
6 medical assistance, long-term care, foster care, adoption support, and
7 child support programs, the department may transfer state moneys that
8 are provided solely for a specified purpose after approval by the
9 director of financial management.

10 (c) The director of financial management shall notify the
11 appropriate fiscal committees of the senate and house of
12 representatives in writing prior to approving any allotment
13 modifications.

14 (4) The department is authorized to develop an integrated health
15 care program designed to slow the progression of illness and disability
16 and better manage Medicaid expenditures for the aged and disabled
17 population. Under this Washington medicaid integration partnership
18 (WMIP) the department may combine and transfer such Medicaid funds
19 appropriated under sections 204, 206, 208, and 209 of this act as may
20 be necessary to finance a unified health care plan for the WMIP program
21 enrollment. The WMIP pilot projects shall not exceed a daily
22 enrollment of 6,000 persons during the 2003-05 biennium. The amount of
23 funding assigned to the pilot projects from each program may not exceed
24 the average per capita cost assumed in this act for individuals covered
25 by that program, actuarially adjusted for the health condition of
26 persons enrolled in the pilot, times the number of clients enrolled in
27 the pilot. In implementing the WMIP pilot projects, the department
28 may: (a) Withhold from calculations of "available resources" as set
29 forth in RCW 71.24.025 a sum equal to the capitated rate for
30 individuals enrolled in the pilots; and (b) employ capitation financing
31 and risk-sharing arrangements in collaboration with health care service
32 contractors licensed by the office of the insurance commissioner and
33 qualified to participate in both the medicaid and medicare programs.
34 The department shall conduct an evaluation of the WMIP, measuring
35 changes in participant health outcomes, changes in patterns of service
36 utilization, participant satisfaction, participant access to services,
37 and the state fiscal impact.

1 **Sec. 202.** 2003 1st sp.s. c 25 s 202 (uncodified) is amended to
2 read as follows:

3 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--CHILDREN AND FAMILY**
4 **SERVICES PROGRAM**

5	General Fund--State Appropriation (FY 2004)	((\$231,566,000))
6		<u>\$229,955,000</u>
7	General Fund--State Appropriation (FY 2005)	((\$232,468,000))
8		<u>\$232,426,000</u>
9	General Fund--Federal Appropriation	((\$416,043,000))
10		<u>\$417,332,000</u>
11	General Fund--Private/Local Appropriation	\$400,000
12	Public Safety and Education Account--	
13	State Appropriation	((\$23,920,000))
14		<u>\$21,476,000</u>
15	Violence Reduction and Drug Enforcement Account--	
16	State Appropriation	((\$5,640,000))
17		<u>\$1,488,000</u>
18	TOTAL APPROPRIATION	((\$910,037,000))
19		<u>\$903,077,000</u>

20 The appropriations in this section are subject to the following
21 conditions and limitations:

22 (1) \$2,271,000 of the fiscal year 2004 general fund--state
23 appropriation, \$2,271,000 of the fiscal year 2005 general fund--state
24 appropriation, and \$1,584,000 of the general fund--federal
25 appropriation are provided solely for the category of services titled
26 "intensive family preservation services."

27 (2) \$701,000 of the general fund--state fiscal year 2004
28 appropriation and \$701,000 of the general fund--state fiscal year 2005
29 appropriation are provided to contract for the operation of one
30 pediatric interim care facility. The facility shall provide
31 residential care for up to thirteen children through two years of age.
32 Seventy-five percent of the children served by the facility must be in
33 need of special care as a result of substance abuse by their mothers.
34 The facility shall also provide on-site training to biological,
35 adoptive, or foster parents. The facility shall provide at least three
36 months of consultation and support to parents accepting placement of
37 children from the facility. The facility may recruit new and current

1 foster and adoptive parents for infants served by the facility. The
2 department shall not require case management as a condition of the
3 contract.

4 (3) \$375,000 of the general fund--state fiscal year 2004
5 appropriation, \$375,000 of the general fund--state fiscal year 2005
6 appropriation, and \$322,000 of the general fund--federal appropriation
7 are provided for up to three nonfacility-based programs for the
8 training, consultation, support, and recruitment of biological, foster,
9 and adoptive parents of children through age three in need of special
10 care as a result of substance abuse by their mothers, except that each
11 program may serve up to three medically fragile nonsubstance-abuse-
12 affected children. In selecting nonfacility-based programs, preference
13 shall be given to programs whose federal or private funding sources
14 have expired or that have successfully performed under the existing
15 pediatric interim care program.

16 (4) The providers for the 31 HOPE beds shall be paid a \$1,000 base
17 payment per bed per month, and reimbursed for the remainder of the bed
18 cost only when the beds are occupied.

19 (5) \$125,000 of the general fund--state appropriation for fiscal
20 year 2004 and \$125,000 of the general fund--state appropriation for
21 fiscal year 2005 are provided solely for a foster parent retention
22 program. This program is directed at foster parents caring for
23 children who act out sexually.

24 (6) Within funding provided for the foster care and adoption
25 support programs, the department shall control reimbursement decisions
26 for foster care and adoption support cases such that the aggregate
27 average cost per case for foster care and for adoption support does not
28 exceed the amounts assumed in the projected caseload expenditures. The
29 department shall adjust adoption support benefits to account for the
30 availability of the new federal adoption support tax credit for special
31 needs children.

32 (7) \$50,000 of the fiscal year 2004 general fund--state
33 appropriation and \$50,000 of the fiscal year 2005 general fund--state
34 appropriation are provided solely for a street youth program in
35 Spokane.

36 **Sec. 203.** 2003 1st sp.s. c 25 s 203 (uncodified) is amended to
37 read as follows:

1 community juvenile accountability grants pursuant to chapter 338, Laws
2 of 1997 (juvenile code revisions). Funds provided in this subsection
3 may be used solely for community juvenile accountability grants,
4 administration of the grants, and evaluations of programs funded by the
5 grants.

6 (4) \$2,544,000 of the violence reduction and drug enforcement
7 account appropriation is provided solely to implement alcohol and
8 substance abuse treatment programs for locally committed offenders.
9 The juvenile rehabilitation administration shall award these moneys on
10 a competitive basis to counties that submitted a plan for the provision
11 of services approved by the division of alcohol and substance abuse.
12 The juvenile rehabilitation administration shall develop criteria for
13 evaluation of plans submitted and a timeline for awarding funding and
14 shall assist counties in creating and submitting plans for evaluation.

15 (5) \$100,000 of the general fund--state appropriation for fiscal
16 year 2004 and \$100,000 of the general fund--state appropriation for
17 fiscal year 2005 are provided solely for a contract for expanded
18 services of the teamchild project.

19 (6) \$16,000 of the general fund--state appropriation for fiscal
20 year 2004 and \$16,000 of the general fund--state appropriation for
21 fiscal year 2005 are provided solely for the implementation of chapter
22 167, Laws of 1999 (firearms on school property). The amounts provided
23 in this subsection are intended to provide funding for county impacts
24 associated with the implementation of chapter 167, Laws of 1999, and
25 shall be distributed to counties as prescribed in the current
26 consolidated juvenile services (CJS) formula.

27 ~~((+8))~~ (7) \$16,000 of the violence reduction and drug enforcement
28 account appropriation is provided solely for the evaluation of the
29 juvenile offender co-occurring disorder pilot program ~~((implemented~~
30 ~~pursuant to subsection (7) of this section))~~.

31 ~~((+9) \$900,000 of the general fund--state appropriation for fiscal~~
32 ~~year 2004 and \$900,000 of the general fund--state appropriation for~~
33 ~~fiscal year 2005 are provided solely for the continued implementation~~
34 ~~of the juvenile violence prevention grant program established in~~
35 ~~section 204, chapter 309, Laws of 1999.~~

36 ~~(+11))~~ (8) For the purposes of a pilot project recommended by the
37 family policy council, the juvenile rehabilitation administration shall
38 provide a block grant, rather than categorical funding, for

1 consolidated juvenile services, community juvenile accountability act
2 grants, the chemically dependent disposition alternative, and the
3 special sex offender disposition alternative to the Pierce county
4 juvenile court. To evaluate the effect of decategorizing funding for
5 youth services, the juvenile court shall do the following:

6 (a) Develop intermediate client outcomes according to the risk
7 assessment tool (RAT) currently used by juvenile courts and in
8 coordination with the juvenile rehabilitation administration and the
9 family policy council;

10 (b) Track the number of youth participating in each type of
11 service, intermediate outcomes, and the incidence of recidivism within
12 twenty-four months of completion of services;

13 (c) Track similar data as in (b) of this subsection with an
14 appropriate control group, selected in coordination with the juvenile
15 rehabilitation administration and the family policy council;

16 (d) Document the process for managing block grant funds on a
17 quarterly basis, and provide this report to the juvenile rehabilitation
18 administration and the family policy council; and

19 (e) Provide an initial process evaluation to the juvenile
20 rehabilitation administration and the family policy council by January
21 30, 2004, and an intermediate evaluation by December 31, 2004. The
22 court shall develop this evaluation in consultation with the juvenile
23 rehabilitation administration, the family policy council, and the
24 Washington state institute for public policy.

25 ~~((+13+))~~ (9) \$308,000 of the general fund--state appropriation for
26 fiscal year 2004 and \$875,000 of the general fund--state appropriation
27 for fiscal year 2005 are provided solely to reimburse counties for
28 local juvenile disposition alternatives implemented pursuant to Senate
29 Bill No. 5903 (juvenile offender sentencing). The juvenile
30 rehabilitation administration, in consultation with the juvenile court
31 administrators, shall develop an equitable distribution formula for the
32 funding provided in this subsection. The juvenile rehabilitation
33 administration may adjust this funding level in the event that
34 utilization rates of the disposition alternatives are lower than the
35 level anticipated by the total appropriations to the juvenile
36 rehabilitation administration in this section. If the bill is not
37 enacted by June 30, 2003, the amounts provided in this subsection shall
38 lapse.

1 (~~(14)~~) (10) \$1,416,000 of the general fund--state appropriation
2 for fiscal year 2004 and \$1,417,000 of the general fund--state
3 appropriation for fiscal year 2005 are provided solely for additional
4 research-based services to the juvenile parole population, including
5 quality control efforts to ensure appropriate implementation of
6 research-based services. The juvenile rehabilitation administration
7 shall consult with the Washington state institute for public policy in
8 deciding which interventions to provide to the parole population and
9 appropriate levels of quality control. Of the total general fund--
10 state appropriation for fiscal year 2004, up to \$55,000 may be used for
11 additional suicide precaution training for staff.

12 **Sec. 204.** 2003 1st sp.s. c 25 s 204 (uncodified) is amended to
13 read as follows:

14 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--MENTAL HEALTH**
15 **PROGRAM**

16 (1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

17	General Fund--State Appropriation (FY 2004)	((\$209,818,000))
18		<u>\$204,309,000</u>
19	General Fund--State Appropriation (FY 2005)	((\$211,317,000))
20		<u>\$213,549,000</u>
21	General Fund--Federal Appropriation	((\$384,801,000))
22		<u>\$400,594,000</u>
23	General Fund--Local Appropriation	\$1,970,000
24	TOTAL APPROPRIATION	((\$807,906,000))
25		<u>\$820,422,000</u>

26 The appropriations in this subsection are subject to the following
27 conditions and limitations:

28 (a) Regional support networks shall use portions of the general
29 fund--state appropriation for implementation of working agreements with
30 the vocational rehabilitation program that will maximize the use of
31 federal funding for vocational programs.

32 (b) From the general fund--state appropriations in this subsection,
33 the secretary of social and health services shall assure that regional
34 support networks reimburse the aging and disability services
35 administration for the general fund--state cost of medicaid personal
36 care services that enrolled regional support network consumers use
37 because of their psychiatric disability.

1 (c) \$4,222,000 of the general fund--state appropriation for fiscal
2 year 2004, \$4,222,000 of the general fund--state appropriation for
3 fiscal year 2005, and \$8,444,000 of the general fund--federal
4 appropriation are provided solely for the continued operation of
5 community residential and support services for persons whose treatment
6 needs constitute substantial barriers to community placement and who no
7 longer require active psychiatric treatment at an inpatient hospital
8 level of care, no longer meet the criteria for inpatient involuntary
9 commitment, and have been discharged from a state psychiatric hospital.
10 Primary responsibility and accountability for provision of appropriate
11 community support for persons placed with these funds shall reside with
12 the mental health program and the regional support networks, with
13 partnership and active support from the alcohol and substance abuse
14 division and from the aging and disability services administration.
15 The department shall continue performance-based incentive contracts to
16 provide appropriate community support services for individuals leaving
17 the state hospitals under this subsection. The department shall first
18 seek to contract with regional support networks before offering a
19 contract to any other party. The funds appropriated in this subsection
20 shall not be considered "available resources" as defined in RCW
21 71.24.025 and are not subject to the standard allocation formula
22 applied in accordance with RCW 71.24.035(13)(a).

23 (d) At least \$902,000 of the federal block grant funding
24 appropriated in this subsection shall be used for the continued
25 operation of the mentally ill offender pilot program.

26 ~~((f))~~ (e) Within funds appropriated in this subsection, the
27 department shall contract with the Clark county regional support
28 network for development and operation of a project demonstrating
29 collaborative methods for providing intensive mental health services in
30 the school setting for severely emotionally disturbed children who are
31 medicaid eligible. Project services are to be delivered by teachers
32 and teaching assistants who qualify as, or who are under the
33 supervision of, mental health professionals meeting the requirements of
34 chapter 275-57 WAC. The department shall increase medicaid payments to
35 the regional support network by the amount necessary to cover the
36 necessary and allowable costs of the demonstration, not to exceed the
37 upper payment limit specified for the regional support network in the
38 department's medicaid waiver agreement with the federal government

1 after meeting all other medicaid spending requirements assumed in this
2 subsection. The regional support network shall provide the department
3 with (i) periodic reports on project service levels, methods, and
4 outcomes; and (ii) an intergovernmental transfer equal to the state
5 share of the increased medicaid payment provided for operation of this
6 project.

7 ~~((g))~~ (f) The department shall assure that each regional support
8 network increases spending on direct client services in fiscal years
9 2004 and 2005 by at least the same percentage as the total state,
10 federal, and local funds allocated to the regional support network in
11 those years exceed the amounts allocated to it in fiscal year 2003.

12 (2) INSTITUTIONAL SERVICES

13	General Fund--State Appropriation (FY 2004)	((\$94,196,000))
14		<u>\$94,515,000</u>
15	General Fund--State Appropriation (FY 2005)	((\$92,964,000))
16		<u>\$93,784,000</u>
17	General Fund--Federal Appropriation	((\$134,755,000))
18		<u>\$136,436,000</u>
19	General Fund--Private/Local Appropriation	((\$26,342,000))
20		<u>\$26,542,000</u>
21	TOTAL APPROPRIATION	((\$348,257,000))
22		<u>\$351,277,000</u>

23 The appropriations in this subsection are subject to the following
24 conditions and limitations:

25 (a) The state mental hospitals may use funds appropriated in this
26 subsection to purchase goods and supplies through hospital group
27 purchasing organizations when it is cost-effective to do so.

28 (b) The mental health program at Western state hospital shall
29 continue to use labor provided by the Tacoma prerelease program of the
30 department of corrections.

31 (3) CIVIL COMMITMENT

32	General Fund--State Appropriation (FY 2004)	((\$28,695,000))
33		<u>\$30,736,000</u>
34	General Fund--State Appropriation (FY 2005)	((\$32,081,000))
35		<u>\$35,394,000</u>
36	TOTAL APPROPRIATION	((\$60,776,000))
37		<u>\$66,130,000</u>

1 The appropriations in this subsection are subject to the following
2 conditions and limitations:

3 (a) (~~(\$1,381,000)~~) \$1,670,000 of the general fund--state
4 appropriation for fiscal year 2004 and (~~(\$2,090,000)~~) \$2,416,000 of the
5 general fund--state appropriation for fiscal year 2005 are provided
6 solely for operational costs associated with a less restrictive step-
7 down placement facility on McNeil Island.

8 (b) \$300,000 of the general fund--state appropriation for fiscal
9 year 2004 and \$300,000 of the general fund--state appropriation for
10 fiscal year 2005 are provided solely for public safety mitigation
11 funding for jurisdictions affected by the placement of (~~less~~
12 ~~restrictive alternative facilities for persons conditionally released~~
13 ~~from the special commitment center facility being constructed~~) the
14 secure community transition facility on McNeil Island. Of this amount,
15 \$45,000 per year shall be provided to the city of Lakewood on September
16 1, 2003, and September 1, 2004, for police protection (~~reimbursement~~)
17 services provided by the city at Western State Hospital and adjacent
18 areas(~~; up to \$45,000 per year shall be provided on September 1, 2003,~~
19 ~~and September 1, 2004, for training police personnel under chapter 12,~~
20 ~~Laws of 2001, 2nd sp. sess. (3ESSB 6151); up to \$125,000 per year shall~~
21 ~~be provided to Pierce county on September 1, 2003, and September 1,~~
22 ~~2004, for reimbursement of additional costs; and the remaining amounts~~
23 ~~are for other documented costs by jurisdictions directly impacted by~~
24 ~~the placement of the secure community transition facility on McNeil~~
25 ~~Island. Pursuant to chapter 12, Laws of 2001, 2nd sp. sess. (3ESSB~~
26 ~~6151), the department shall continue to work with local jurisdictions~~
27 ~~towards reaching agreement for mitigation costs)). Of the remaining~~
28 \$255,000 per year, the department shall reimburse the affected
29 jurisdictions for their documented costs that have been negotiated in
30 an interagency agreement between the department and each jurisdiction,
31 as follows:

32 (i) Up to \$125,000 per year shall be provided to Pierce county for
33 its additional public safety costs as defined in RCW 71.09.344(2).

34 (ii) Up to \$45,000 per year shall be provided to affected
35 jurisdictions other than Pierce county for the costs of training their
36 law enforcement and administrative personnel as defined in RCW
37 71.09.344(2)(a).

1 incidence of persons enrolled in medical assistance programs in each
2 regional support network area. In conducting this study, the
3 department shall consult with the joint legislative audit and review
4 committee, regional support networks, community mental health
5 providers, and mental health consumer representatives. The department
6 shall submit a final report on its findings to the fiscal, health care,
7 and human services committees of the legislature by November 1, 2003.

8 **Sec. 205.** 2003 1st sp.s. c 25 s 205 (uncodified) is amended to
9 read as follows:

10 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--DEVELOPMENTAL**
11 **DISABILITIES PROGRAM**

12 (1) COMMUNITY SERVICES

13 General Fund--State Appropriation (FY 2004)	((\$262,458,000))
	<u>\$253,962,000</u>
15 General Fund--State Appropriation (FY 2005)	((\$268,826,000))
	<u>\$274,771,000</u>
17 General Fund--Federal Appropriation	((\$439,489,000))
	<u>\$453,787,000</u>
19 Health Services Account--State	
20 Appropriation	\$1,038,000
21 TOTAL APPROPRIATION	((\$971,811,000))
	<u>\$983,558,000</u>

23 The appropriations in this subsection are subject to the following
24 conditions and limitations:

25 (a) Any new funding for family support and high school transition
26 along with a portion of existing funding for these programs shall be
27 provided as supplemental security income (SSI) state supplemental
28 payments for persons with developmental disabilities in families with
29 taxable incomes at or below 150 percent of median family income.
30 Individuals receiving family support or high school transition payments
31 shall not become eligible for medical assistance under RCW 74.09.510
32 due solely to the receipt of SSI state supplemental payments.

33 (b) The health services account appropriation and \$1,038,000 of the
34 general fund--federal appropriation are provided solely for health care
35 benefits for home care workers with family incomes below 200 percent of
36 the federal poverty level who are employed through state contracts for
37 twenty hours per week or more. Premium payments for individual

1 provider home care workers shall be made only to the subsidized basic
2 health plan. Home care agencies may obtain coverage either through the
3 basic health plan or through an alternative plan with substantially
4 equivalent benefits.

5 (c) \$510,000 of the general fund--state appropriation for fiscal
6 year 2004, \$784,000 of the general fund--state appropriation for fiscal
7 year 2005, and \$1,225,000 of the general fund--federal appropriation
8 are provided solely for community residential and support services.
9 Funding in this subsection shall be prioritized for (i) residents of
10 residential habilitation centers who are able to be adequately cared
11 for in community settings and who choose to live in those community
12 settings; and (ii) clients without residential services who are at
13 immediate risk of institutionalization or in crisis. The department
14 shall ensure that the average cost per day for all program services
15 other than start-up costs shall not exceed \$300. The department shall
16 electronically report to the appropriate committees of the legislature,
17 within 45 days following each fiscal year quarter, the number of
18 residents moving into community settings and the actual expenditures
19 for all community services to support those residents.

20 (d) \$511,000 of the general fund--state appropriation for fiscal
21 year 2004, \$616,000 of the general fund--state appropriation for fiscal
22 year 2005, and \$1,073,000 of the general fund--federal appropriation
23 are provided solely for expanded community services for persons with
24 developmental disabilities who also have community protection issues or
25 are diverted or discharged from state psychiatric hospitals. The
26 department shall ensure that the average cost per day for all program
27 services other than start-up costs shall not exceed \$300. The
28 department shall electronically report to the appropriate committees of
29 the legislature, within 45 days following each fiscal year quarter, the
30 number of persons served with these additional community services,
31 where they were residing, what kinds of services they were receiving
32 prior to placement, and the actual expenditures for all community
33 services to support these clients.

34 (e) The department may transfer funding provided in this subsection
35 to meet the purposes of subsection (2) of this section to the extent
36 that fewer residents of residential habilitation centers choose to move
37 to community placements than was assumed in this appropriation.

1 (f) \$3,290,000 of the general fund--state appropriation for fiscal
2 year 2004, \$4,773,000 of the general fund--state appropriation for
3 fiscal year 2005, and \$7,504,000 of the general fund--federal
4 appropriation are provided solely for the purpose of providing a wage
5 increase effective October 1, 2003, for individual home care workers
6 providing state-funded services. The amounts in this subsection also
7 include the funds needed for the employer share of unemployment and
8 social security taxes on the amount of the increase.

9 (g) \$355,000 of the general fund--state appropriation for fiscal
10 year 2004, \$517,000 of the general fund--state appropriation for fiscal
11 year 2005, and \$848,000 of the general fund--federal appropriation are
12 provided solely to increase payments to agency home care providers from
13 \$13.44 per hour to \$14.27 per hour effective October 1, 2003. The
14 amounts in this subsection shall be used to increase wages for direct
15 care workers by 75 cents per hour. The amounts in this subsection also
16 include the funds needed for the employer share of unemployment and
17 social security taxes on the amount of the increase.

18 (2) INSTITUTIONAL SERVICES

19	General Fund--State Appropriation (FY 2004)	((\$71,862,000))
20		<u>\$67,600,000</u>
21	General Fund--State Appropriation (FY 2005)	((\$70,926,000))
22		<u>\$70,537,000</u>
23	General Fund--Federal Appropriation	((\$144,682,000))
24		<u>\$148,608,000</u>
25	General Fund--Private/Local Appropriation	\$11,228,000
26	TOTAL APPROPRIATION	((\$298,698,000))
27		<u>\$297,973,000</u>

28 The appropriations in this subsection are subject to the following
29 conditions and limitations: The department may transfer funding
30 provided in this subsection to meet the purposes of subsection (1) of
31 this section to the extent that more residents of residential
32 habilitation centers choose to move to community placements than was
33 assumed in this appropriation.

34 (3) PROGRAM SUPPORT

35	General Fund--State Appropriation (FY 2004)	((\$2,245,000))
36		<u>\$2,464,000</u>
37	General Fund--State Appropriation (FY 2005)	((\$2,245,000))

1 \$3,173,000
2 General Fund--Federal Appropriation ((~~\$2,965,000~~))
3 \$4,172,000
4 Telecommunications Devices for the Hearing and
5 Speech Impaired Account Appropriation ((~~\$1,782,000~~))
6 \$891,000
7 TOTAL APPROPRIATION ((~~\$9,237,000~~))
8 \$10,700,000

9 (4) SPECIAL PROJECTS
10 General Fund--Federal Appropriation \$11,993,000

11 **Sec. 206.** 2003 1st sp.s. c 25 s 206 (uncodified) is amended to
12 read as follows:

13 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--AGING AND ADULT**
14 **SERVICES PROGRAM**

15 General Fund--State Appropriation (FY 2004) ((~~\$557,645,000~~))
16 \$526,826,000
17 General Fund--State Appropriation (FY 2005) ((~~\$570,669,000~~))
18 \$567,609,000
19 General Fund--Federal Appropriation ((~~\$1,162,511,000~~))
20 \$1,179,697,000
21 General Fund--Private/Local Appropriation ((~~\$18,644,000~~))
22 \$18,697,000
23 Health Services Account--State
24 Appropriation \$4,888,000
25 TOTAL APPROPRIATION ((~~\$2,314,357,000~~))
26 \$2,297,717,000

27 The appropriations in this section are subject to the following
28 conditions and limitations:

29 (1) The entire health services account appropriation, \$1,476,000 of
30 the general fund--state appropriation for fiscal year 2004, \$1,476,000
31 of the general fund--state appropriation for fiscal year 2005, and
32 \$7,284,000 of the general fund--federal appropriation are provided
33 solely for health care benefits for home care workers who are employed
34 through state contracts for at least twenty hours per week. Premium
35 payments for individual provider home care workers shall be made only
36 to the subsidized basic health plan, and only for persons with incomes

1 below 200 percent of the federal poverty level. Home care agencies may
2 obtain coverage either through the basic health plan or through an
3 alternative plan with substantially equivalent benefits.

4 (2) \$1,768,000 of the general fund--state appropriation for fiscal
5 year 2004 and \$1,768,000 of the general fund--state appropriation for
6 fiscal year 2005 are provided solely for operation of the volunteer
7 chore services program.

8 (3) For purposes of implementing chapter 74.46 RCW, the weighted
9 average nursing facility payment rate shall be no more than (~~(\$144.54)~~)
10 \$142.04 for fiscal year 2004, and no more than (~~(\$147.43)~~) \$144.93 for
11 fiscal year 2005. For all facilities, the direct care, therapy care,
12 support services, and operations component rates established in
13 accordance with chapter 74.46 RCW shall be adjusted for economic trends
14 and conditions by 3.0 percent effective July 1, 2003.

15 (4) In accordance with chapter 74.46 RCW, the department shall
16 issue certificates of capital authorization that result in up to \$32
17 million of increased asset value completed and ready for occupancy in
18 fiscal year 2004; up to \$32 million of increased asset value completed
19 and ready for occupancy in fiscal year 2005; and up to \$32 million of
20 increased asset value completed and ready for occupancy in fiscal year
21 2006.

22 (5) Adult day health services shall not be considered a duplication
23 of services for persons receiving care in long-term care settings
24 licensed under chapter 18.20, 72.36, or 70.128 RCW.

25 (6) In accordance with chapter 74.39 RCW, the department may
26 implement a medicaid waiver program for persons who do not qualify for
27 such services as categorically needy, subject to federal approval and
28 the following conditions and limitations:

29 (a) The waiver program shall include coverage of care in community
30 residential facilities. Enrollment in the waiver shall not exceed 600
31 persons by the end of fiscal year 2004, nor 600 persons by the end of
32 fiscal year 2005.

33 (b) The department shall identify the number of medically needy
34 nursing home residents, and enrollment and expenditures on the
35 medically needy waiver, on monthly management reports.

36 (c) The department shall track and electronically report to health
37 care and fiscal committees of the legislature by November 15, 2004, on

1 the types of long-term care support a sample of waiver participants
2 were receiving prior to their enrollment in the waiver, how those
3 services were being paid for, and an assessment of their adequacy.

4 (7) \$118,000 of the general fund--state appropriation for fiscal
5 year 2004, \$118,000 of the general fund--state appropriation for fiscal
6 year 2005, and \$236,000 of the general fund--federal appropriation are
7 provided solely for the department to assess at least annually each
8 elderly resident residing in residential habilitation centers and
9 state-operated living alternatives to determine if the resident can be
10 more appropriately served in a less restrictive setting.

11 (a) The department shall consider the proximity to the resident of
12 the family, friends, and advocates concerned with the resident's
13 well-being in determining whether the resident should be moved from a
14 residential habilitation center to a different facility or program.

15 (b) In assessing an elderly resident under this section and to
16 ensure appropriate placement, the department shall identify the special
17 needs of the resident, the types of services that will best meet those
18 needs, and the type of facility that will best provide those services.

19 (c) The appropriate interdisciplinary team shall conduct the
20 evaluation.

21 (d) If appropriate, the department shall coordinate with the local
22 mental health authority.

23 (e) The department may explore whether an enhanced rate is needed
24 to serve this population.

25 (8) Within funds appropriated in this section, the department may
26 assess nursing facility residents with Alzheimer's disease or related
27 dementias to determine whether such residents can be more appropriately
28 served in licensed boarding home facilities that specialize in caring
29 for such conditions. The department may, based upon the assessments
30 and within existing funds, pay dementia pilot project rates on behalf
31 of up to 200 additional persons with Alzheimer's disease or related
32 dementias who move from nursing facilities to specialized boarding
33 homes.

34 (9) The department shall establish waiting lists to the extent
35 necessary to assure that annual expenditures on the community options
36 program entry systems (COPES) program do not exceed appropriated
37 levels. In establishing and managing any such waiting list, the

1 department shall assure priority access to persons with the greatest
2 unmet needs, as determined by department assessment processes.

3 (10) \$7,102,000 of the general fund--state appropriation for fiscal
4 year 2004, \$10,065,000 of the general fund--state appropriation for
5 fiscal year 2005, and \$17,029,000 of the general fund--federal
6 appropriation are provided solely for the purpose of providing a wage
7 increase effective October 1, 2003, for individual home care workers
8 providing state-funded services. The amounts in this subsection also
9 include the funds needed for the employer share of unemployment and
10 social security taxes on the amount of the increase.

11 (11) \$2,219,000 of the general fund--state appropriation for fiscal
12 year 2004, \$3,192,000 of the general fund--state appropriation for
13 fiscal year 2005, and \$5,263,000 of the general fund--federal
14 appropriation are provided solely to increase payments to agency home
15 care providers from \$13.44 per hour to \$14.27 per hour effective
16 October 1, 2003. The amounts in this subsection shall be used to
17 increase wages for direct care workers by 75 cents per hour. The
18 amounts in this subsection also include the funds needed for the
19 employer share of unemployment and social security taxes on the amount
20 of the increase.

21 **Sec. 207.** 2003 1st sp.s. c 25 s 207 (uncodified) is amended to
22 read as follows:

23 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ECONOMIC SERVICES**
24 **PROGRAM**

25	General Fund--State Appropriation (FY 2004)	((\$408,184,000))
26		<u>\$445,943,000</u>
27	General Fund--State Appropriation (FY 2005)	((\$407,363,000))
28		<u>\$435,735,000</u>
29	General Fund--Federal Appropriation	((\$1,209,758,000))
30		<u>\$1,228,070,000</u>
31	General Fund--Private/Local Appropriation	\$33,880,000
32	TOTAL APPROPRIATION	((\$2,059,185,000))
33		<u>\$2,143,628,000</u>

34 The appropriations in this section are subject to the following
35 conditions and limitations:

36 (1) \$273,652,000 of the general fund--state appropriation for
37 fiscal year 2004, \$273,695,000 of the general fund--state appropriation

1 for fiscal year 2005, and \$1,000,222,000 of the general fund--federal
2 appropriation are provided solely for all components of the WorkFirst
3 program. Within the amounts provided for the WorkFirst program, the
4 department shall:

5 (a) Continue to implement WorkFirst program improvements that are
6 designed to achieve progress against outcome measures specified in RCW
7 74.08A.410. Valid outcome measures of job retention and wage
8 progression shall be developed and reported quarterly to appropriate
9 fiscal and policy committees of the legislature for families who leave
10 assistance, measured after 12 months, 24 months, and 36 months. The
11 department shall also report the percentage of families who have
12 returned to temporary assistance for needy families after 12 months, 24
13 months, and 36 months;

14 (b) Submit a report by October 1, 2003, to the fiscal committees of
15 the legislature containing a spending plan for the WorkFirst program.
16 The plan shall identify how spending levels in the 2003-2005 biennium
17 will be adjusted to stay within available federal grant levels and the
18 appropriated state-fund levels; and

19 (c) Include an urban adjustment factor for child care providers in
20 urban areas of region 1.

21 (2) (~~(\$45,639,000)~~) \$57,547,000 of the general fund--state
22 appropriation for fiscal year 2004 and (~~(\$39,335,000)~~) \$59,953,000 of
23 the general fund--state appropriation for fiscal year 2005 are provided
24 solely for cash assistance and other services to recipients in the
25 general assistance--unemployable program. Within these amounts, the
26 department may expend funds for services that assist recipients to
27 reduce their dependence on public assistance, provided that
28 expenditures for these services and cash assistance do not exceed the
29 funds provided.

30 (3) (~~(\$1,436,000)~~) \$936,000 of the general fund--state
31 appropriation for fiscal year 2004 and (~~(\$1,436,000)~~) \$936,000 of the
32 general fund--state appropriation for fiscal year 2005 are provided for
33 the department to assist in naturalization efforts for legal aliens
34 whose eligibility for federal supplemental security income has expired.
35 The department shall use funding previously spent on general assistance
36 employment supports for these naturalization services.

37 (4) \$3,940,000 of the general fund--state appropriation for fiscal
38 year 2004 and \$3,940,000 of the general fund--state appropriation for

1 fiscal year 2005 are provided solely for the food assistance program
2 for legal immigrants. The level of benefits shall be equivalent to the
3 benefits provided by the federal food stamp program.

4 (5) \$9,142,000 of the general fund--federal appropriation is
5 provided solely for increased reimbursement of county legal-clerk
6 services for child support enforcement. The department shall ensure
7 this increase in cost does not reduce federal incentive payments.

8 (6) In reviewing the budget for the division of child support, the
9 legislature has conducted a review of the Washington state child
10 support schedule, chapter 26.19 RCW, and supporting documentation as
11 required by federal law. The legislature concludes that the
12 application of the support schedule continues to result in the correct
13 amount of child support to be awarded. No further changes will be made
14 to the support schedule or the economic table at this time.

15 **Sec. 208.** 2003 1st sp.s. c 25 s 208 (uncodified) is amended to
16 read as follows:

17 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ALCOHOL AND SUBSTANCE**
18 **ABUSE PROGRAM**

19	General Fund--State Appropriation (FY 2004)	((\$40,320,000))
20		<u>\$39,832,000</u>
21	General Fund--State Appropriation (FY 2005)	((\$40,320,000))
22		<u>\$40,555,000</u>
23	General Fund--Federal Appropriation	((\$90,632,000))
24		<u>\$94,109,000</u>
25	General Fund--Private/Local Appropriation	\$630,000
26	Public Safety and Education Account--State	
27	Appropriation	((\$7,160,000))
28		<u>\$5,060,000</u>
29	Criminal Justice Treatment Account--State	
30	Appropriation	\$8,950,000
31	Violence Reduction and Drug Enforcement Account--	
32	State Appropriation	((\$44,342,000))
33		<u>\$46,442,000</u>
34	TOTAL APPROPRIATION	((\$232,354,000))
35		<u>\$235,328,000</u>

36 The appropriations in this section are subject to the following
37 conditions and limitations: \$966,197 of the general fund--state

1 appropriation for fiscal year 2004 and \$966,197 of the general fund--
2 state appropriation for fiscal year 2005 are provided solely for the
3 parent child assistance program. The department shall contract with
4 the University of Washington and community-based providers in Spokane
5 and Yakima for the provision of this program. For all contractors,
6 indirect charges for administering the program shall not exceed ten
7 percent of the total contract amount.

8 **Sec. 209.** 2003 1st sp.s. c 25 s 209 (uncodified) is amended to
9 read as follows:

10 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--MEDICAL ASSISTANCE**
11 **PROGRAM**

12	General Fund--State Appropriation (FY 2004)	((\$1,184,774,000))
13		<u>\$1,120,839,000</u>
14	General Fund--State Appropriation (FY 2005)	((\$1,265,423,000))
15		<u>\$1,246,777,000</u>
16	General Fund--Federal Appropriation	((\$3,764,258,000))
17		<u>\$3,913,608,000</u>
18	General Fund--Private/Local Appropriation	((\$262,736,000))
19		<u>\$268,347,000</u>
20	Emergency Medical Services and Trauma Care Systems	
21	Trust Account--State Appropriation	((\$23,700,000))
22		<u>\$14,004,000</u>
23	Health Services Account--State Appropriation	((\$756,012,000))
24		<u>\$749,341,000</u>
25	TOTAL APPROPRIATION	((\$7,256,903,000))
26		<u>\$7,312,916,000</u>

27 The appropriations in this section are subject to the following
28 conditions and limitations:

29 (1) Based on quarterly expenditure reports and caseload forecasts,
30 if the department estimates that expenditures for the medical
31 assistance program will exceed the appropriations, the department shall
32 take steps including but not limited to reduction of rates or
33 elimination of optional services to reduce expenditures so that total
34 program costs do not exceed the annual appropriation authority.

35 (2) The department shall continue to extend medicaid eligibility to
36 children through age 18 residing in households with incomes below 200
37 percent of the federal poverty level.

1 (3) In determining financial eligibility for medicaid-funded
2 services, the department is authorized to disregard recoveries by
3 Holocaust survivors of insurance proceeds or other assets, as defined
4 in RCW 48.104.030.

5 (4) (~~(\$999,000)~~) \$643,000 of the health services account
6 appropriation for fiscal year 2004, (~~(\$1,519,000)~~) \$1,011,000 of the
7 health services account appropriation for fiscal year 2005, and
8 (~~(\$2,142,000)~~) \$1,353,000 of the general fund--federal appropriation
9 are provided solely for implementation of a "ticket to work" medicaid
10 buy-in program for working persons with disabilities, operated in
11 accordance with the following conditions:

12 (a) To be eligible, a working person with a disability must have
13 total income which is less than 450 percent of poverty;

14 (b) Participants shall participate in the cost of the program by
15 paying (i) a monthly enrollment fee equal to fifty percent of any
16 unearned income in excess of the medicaid medically needy standard; and
17 (ii) a monthly premium equal to 5 percent of all unearned income, plus
18 5 percent of all earned income after disregarding the first sixty-five
19 dollars of monthly earnings, and half the remainder;

20 (c) The department shall establish more restrictive eligibility
21 standards than specified in this subsection to the extent necessary to
22 operate the program within appropriated funds; and

23 (d) The department may require point-of-service copayments as
24 appropriate, except that copayments shall not be so high as to
25 discourage appropriate service utilization, particularly of
26 prescription drugs needed for the treatment of psychiatric conditions.

27 (5) Sufficient funds are appropriated in this section for the
28 department to continue podiatry services for medicaid-eligible adults.

29 (6) Sufficient funds are appropriated in this section for the
30 department to provide an adult dental benefit equivalent to
31 approximately 75 percent of the dental benefit provided during the
32 2001-03 biennium. The department shall establish the scope of services
33 to be provided within the available funds in consultation with dental
34 providers and consumer representatives.

35 (7) The legislature reaffirms that it is in the state's interest
36 for Harborview medical center to remain an economically viable
37 component of the state's health care system.

1 (8) In accordance with RCW 74.46.625, (~~(\$52,057,000)~~) \$35,882,000
2 of the fiscal year 2004 health services account appropriation,
3 (~~(\$35,016,000)~~) \$20,577,000 of the fiscal year 2005 health services
4 account appropriation, and (~~(\$87,074,000)~~) \$61,108,000 of the general
5 fund--federal appropriation are provided solely for supplemental
6 payments to nursing homes operated by rural public hospital districts.
7 The payments shall be conditioned upon (a) a contractual commitment by
8 the association of public hospital districts and participating rural
9 public hospital districts to make an intergovernmental transfer to the
10 state treasurer, for deposit into the health services account, equal to
11 at least (~~(94.5)~~) 91.9 percent of the supplemental payments; (b) a
12 contractual commitment by the association of public hospital districts
13 to return at least (~~(5.5)~~) 8.1 percent of the supplemental payments to
14 the participating rural hospital districts; and (c) a contractual
15 commitment by the participating districts to not allow expenditures
16 covered by the supplemental payments to be used for medicaid nursing
17 home rate setting. A hospital which does not participate in the
18 supplemental payment intergovernmental transfer budgeted for fiscal
19 year 2003 shall not be eligible to participate in the supplemental
20 payments budgeted in this subsection for fiscal years 2004 and 2005.
21 The participating districts shall retain no more than a total of
22 \$9,600,000 for the 2003-05 biennium.

23 (9) (~~(\$14,616,000)~~) \$14,422,000 of the health services account
24 appropriation for fiscal year 2004, (~~(\$12,394,000)~~) \$12,842,000 of the
25 health services account appropriation for fiscal year 2005, and
26 (~~(\$27,010,000)~~) \$27,264,000 of the general fund--federal appropriation
27 are provided solely for additional disproportionate share and medicare
28 upper payment limit payments to public hospital districts and to the
29 state's teaching hospitals. The payments shall be conditioned upon a
30 contractual commitment by the participating public hospitals to make an
31 intergovernmental transfer to the health services account equal to at
32 least 91 percent of the additional payments. The state's teaching
33 hospitals shall retain at least 28 percent of the amounts retained by
34 hospitals under these programs, or the maximum allowable under the
35 teaching hospitals' limits as established under federal rule, whichever
36 is less.

37 (10) \$3,100,000 of the health services account appropriation,
38 (~~(\$8,416,000)~~) \$4,208,000 of the general fund--local appropriation, and

1 (~~(\$11,516,000)~~) \$7,308,000 of the general fund--federal appropriation
2 are provided solely for grants to rural hospitals. The department
3 shall distribute the funds under a formula that provides a relatively
4 larger share of the available funding to hospitals that (a) serve a
5 disproportionate share of low-income and medically indigent patients
6 and (b) have relatively smaller net financial margins, to the extent
7 allowed by the federal medicaid program.

8 (11) \$26,080,000 of the health services account appropriation and
9 \$26,080,000 of the general fund--federal appropriation are provided
10 solely for grants to nonrural hospitals. The department shall
11 distribute the funds under a formula that provides a relatively larger
12 share of the available funding to hospitals that (a) serve a
13 disproportionate share of low-income and medically indigent patients
14 and (b) have relatively smaller net financial margins, to the extent
15 allowed by the federal medicaid program.

16 (~~(+13)~~) (12) \$156,000 of the general fund--state appropriation for
17 fiscal year 2004 and \$1,403,000 of the general fund--federal
18 appropriation are provided solely for a study to assess alternatives
19 for replacing the existing medicaid management information system. The
20 department shall report to the information services board and to the
21 fiscal committees of the legislature by December 1, 2003, on the
22 anticipated costs and benefits of the major alternative approaches.

23 (~~(+14)~~) (13) The department shall implement a combination of cost
24 containment and utilization strategies sufficient to reduce general
25 fund--state costs for durable medical equipment and supplies in fiscal
26 year 2005 by approximately 5 percent below the level projected for
27 fiscal year 2005 in the February 2003 forecast. In designing
28 strategies, the primary strategy considered shall be selective or
29 direct contracting with durable medical equipment and supplies vendors
30 or manufacturers.

31 (~~(+15)~~) (14) The department shall, within available resources,
32 design and implement a medical care services care management pilot
33 project for clients receiving general assistance benefits. The pilot
34 project shall be operated in at least two of the counties with the
35 highest concentration of general assistance clients, and may use a full
36 or partial capitation model. In designing the project, the department
37 shall consult with the mental health division and its managed care
38 contractors that include community and migrant health centers in their

1 provider network. The pilot project shall be designed to maximize care
2 coordination, high-risk medical management, and chronic care management
3 to achieve better health outcomes. The pilot project shall begin
4 enrollment on July 1, 2004.

5 ~~((+16+))~~ (15) Within available resources and to the extent
6 possible, the department shall evaluate and pilot a nurse consultant
7 services program to assist fee-for-service clients in accessing medical
8 information, with the goal of reducing administrative burdens on
9 physicians and unnecessary emergency room utilization.

10 ~~((+17+))~~ (16) The department shall include in any pending medicaid
11 reform section 1115 waiver application, or in any existing section 1115
12 waiver, a request for authorization to provide optional medicaid
13 services that have been eliminated in this act to American Indian and
14 Alaska Native persons as defined in relevant federal law who are
15 eligible for medicaid only to the extent that such services are
16 provided through the American Indian health system and are financed
17 with one hundred percent federal medicaid matching funds.

18 ~~((+18+))~~ (17) The department shall establish managed care rates
19 within available funds, giving specific consideration to each plan's
20 programmatic and financial performance, and ability to assure access in
21 under-served areas.

22 ~~((+19+))~~ (18) The department of social and health services, the
23 office of the superintendent of public instruction, and the department
24 of health should jointly identify opportunities for early intervention
25 and prevention activities that can help prevent disease and reduce oral
26 health issues among children. Disease prevention among infants at the
27 age of one year and among children entering the K-12 education system
28 provides cost-effective ways to avoid higher health care spending later
29 in life.

30 ~~((+20+))~~ (19) The department shall secure a federal waiver,
31 effective no later than September 1, 2003, which will enable it to
32 charge co-premiums for medical and dental coverage of children whose
33 family incomes exceed the federal poverty level.

34 ~~((+21+))~~ (20) For purposes of RCW 74.09.800(2), ~~((\$9,549,000))~~
35 \$8,017,000 of the general fund--state appropriation for fiscal year
36 2004, ~~((\$10,779,000))~~ \$8,454,000 of the general fund--state
37 appropriation for fiscal year 2005, and ~~((\$37,753,000))~~ \$30,588,000 of
38 the general fund--federal appropriation are provided solely to provide

1 prenatal care services to low-income women who are not eligible to
2 receive such services under the medical assistance program, Title XIX
3 of the federal social security act. If the department is unable to
4 secure federal matching funds under Title XXI of the social security
5 act, the department shall take all actions necessary to manage the
6 program within these appropriated levels.

7 (21) \$20,279,000 of the health services account appropriation for
8 fiscal year 2004, \$16,430,000 of the health services account
9 appropriation for fiscal year 2005, and \$36,709,000 of the general
10 fund--federal appropriation are provided solely for additional
11 disproportionate share hospital payments to public hospital districts.
12 The payments shall be conditioned upon a contractual commitment by the
13 participating public hospital districts to make an intergovernmental
14 transfer to the health services account equal to at least 91 percent of
15 the additional disproportionate share payment. The participating
16 districts shall retain no more than \$6,700,000 of the additional
17 disproportionate share payment.

18 **Sec. 210.** 2003 1st sp.s. c 25 s 210 (uncodified) is amended to
19 read as follows:

20 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--VOCATIONAL**
21 **REHABILITATION PROGRAM**

22	General Fund--State Appropriation (FY 2004)	((\$10,180,000))
23		<u>\$10,185,000</u>
24	General Fund--State Appropriation (FY 2005)	((\$10,202,000))
25		<u>\$10,215,000</u>
26	General Fund--Federal Appropriation	((\$85,803,000))
27		<u>\$85,808,000</u>
28	General Fund--Local Appropriation	\$440,000
29	<u>Telecommunications Devices for the Hearing and</u>	
30	<u>Speech Impaired Account--State Appropriation</u>	<u>\$891,000</u>
31	TOTAL APPROPRIATION	((\$106,625,000))
32		<u>\$107,539,000</u>

33 **Sec. 211.** 2003 1st sp.s. c 25 s 211 (uncodified) is amended to
34 read as follows:

35 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ADMINISTRATION AND**

1	SUPPORTING SERVICES PROGRAM	
2	General Fund--State Appropriation (FY 2004)	((\$35,926,000))
3		<u>\$37,654,000</u>
4	General Fund--State Appropriation (FY 2005)	((\$25,968,000))
5		<u>\$29,669,000</u>
6	General Fund--Federal Appropriation	((\$45,752,000))
7		<u>\$52,910,000</u>
8	General Fund--Private/Local Appropriation	\$810,000
9	<u>Public Safety and Education Account--State</u>	
10	<u>Appropriation</u>	<u>\$2,444,000</u>
11	<u>Violence Reduction and Drug Enforcement Account--</u>	
12	<u>State Appropriation</u>	<u>\$4,152,000</u>
13	TOTAL APPROPRIATION	((\$108,456,000))
14		<u>\$127,639,000</u>

15 The appropriations in this section are subject to the following
16 conditions and limitations:

17 (1) \$467,000 of the general fund--state appropriation for fiscal
18 year 2004, \$769,000 of the general fund--state appropriation for fiscal
19 year 2005, and \$1,236,000 of the general fund--federal appropriation
20 are provided solely for transition costs associated with the downsizing
21 effort at Fircrest school. The department shall organize the
22 downsizing effort so as to minimize disruption to clients, employees,
23 and the developmental disabilities program. The employees responsible
24 for the downsizing effort shall report to the assistant secretary of
25 the aging and disability services administration. Within the funds
26 provided in this subsection, the department shall:

27 (a) Determine appropriate ways to maximize federal reimbursement
28 during the downsizing process;

29 (b) Meet and confer with representatives of affected employees on
30 how to assist employees who need help to relocate to other state jobs
31 or to transition to private sector positions;

32 (c) Review opportunities for state employees to continue caring for
33 clients by assisting them in developing privately operated community
34 residential alternatives. In conducting the review, the department
35 will examine efforts in this area pursued by other states as part of
36 institutional downsizing efforts;

37 (d) Keep appropriate committees of the legislature apprised,

1 through regular reports and periodic e-mail updates, of the development
2 of and revisions to the work plan regarding this downsizing effort; and

3 (e) Provide a preliminary transition plan to the fiscal and policy
4 committees of the legislature by January 1, 2004. The transition plan
5 shall include recommendations on ways to continue to provide some of
6 the licensed professional services offered at Fircrest school to
7 clients being served in community settings.

8 (2) \$10,000,000 of the general fund--state appropriation for fiscal
9 year 2004 is provided solely for one-time expenditures needed to meet
10 the federally required level for state supplemental payments (SSP).
11 The department shall transfer appropriate portions of this amount to
12 other programs within the agency to accomplish this purpose. The
13 department shall not initiate new services with this funding that will
14 cause total future SSP expenditures to exceed the required annual
15 maintenance-of-effort level.

16 (3) \$900,000 of the general fund--state appropriation for fiscal
17 year 2004 and \$900,000 of the general fund--state appropriation for
18 fiscal year 2005 are provided solely for the continued implementation
19 of the juvenile violence prevention grant program established in
20 section 204, chapter 309, Laws of 1999.

21 **Sec. 212.** 2003 1st sp.s. c 25 s 212 (uncodified) is amended to
22 read as follows:

23 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--PAYMENTS TO OTHER**
24 **AGENCIES PROGRAM**

25	General Fund--State Appropriation (FY 2004)	((\$42,011,000))
26		<u>\$43,287,000</u>
27	General Fund--State Appropriation (FY 2005)	((\$42,011,000))
28		<u>\$43,287,000</u>
29	General Fund--Federal Appropriation	((\$41,994,000))
30		<u>\$43,017,000</u>
31	TOTAL APPROPRIATION	((\$126,016,000))
32		<u>\$129,591,000</u>

33 **Sec. 213.** 2003 1st sp.s. c 25 s 213 (uncodified) is amended to
34 read as follows:

35 **FOR THE STATE HEALTH CARE AUTHORITY**

36 State Health Care Authority Administrative

1	Account--State Appropriation	((\$17,665,000))
2		<u>\$18,942,000</u>
3	Health Services Account--State Appropriation	((\$415,459,000))
4		<u>\$415,540,000</u>
5	General Fund--Federal Appropriation	((\$3,307,000))
6		<u>\$3,875,000</u>
7	Medical Aid Account--State Appropriation	((\$128,000))
8		<u>\$213,000</u>
9	TOTAL APPROPRIATION	((\$436,559,000))
10		<u>\$438,570,000</u>

11 The appropriations in this section are subject to the following
12 conditions and limitations:

13 (1) (~~(\$6,000,000 of)~~) The health services account--state
14 appropriation (~~(is provided solely to increase the number of persons~~
15 ~~not eligible for medicaid receiving dental care from nonprofit~~
16 ~~community clinics)) contains funding to provide dental care at
17 community clinics for persons who are not current medicaid recipients,
18 and for interpreter services to support dental and medical services for
19 persons for whom interpreters are not available from any other source.~~

20 (2) In order to maximize the number of enrollees who can be
21 supported within appropriated amounts, the health care authority is
22 directed to make modifications that will reduce the actuarial value of
23 the basic health plan benefit by approximately 18 percent effective
24 January 1, 2004. Modifications may include changes in enrollee premium
25 obligations, enrollee cost-sharing, benefits, and incentives to access
26 preventative services. To the extent that additional actions are
27 needed in order to operate within appropriated funds, new enrollments
28 to the program shall be limited in a manner consistent with the
29 authority's September 6, 2001, administrative policy on basic health
30 plan enrollment management.

31 (3) Within funds appropriated in this section and sections 205 and
32 206 of this act, the health care authority shall continue to provide an
33 enhanced basic health plan subsidy for foster parents licensed under
34 chapter 74.15 RCW and workers in state-funded home care programs.
35 Under this enhanced subsidy option, foster parents and home care
36 workers with family incomes below 200 percent of the federal poverty
37 level shall be allowed to enroll in the basic health plan at the

1 minimum premium amount charged to enrollees with incomes below sixty-
2 five percent of the federal poverty level.

3 (4) The health care authority shall require organizations and
4 individuals which are paid to deliver basic health plan services and
5 which choose to sponsor enrollment in the subsidized basic health plan
6 to pay 133 percent of the premium amount which would otherwise be due
7 from the sponsored enrollees.

8 (5) The administrator shall take at least the following actions to
9 assure that persons participating in the basic health plan are eligible
10 for the level of assistance they receive: (a) Require submission of
11 (i) income tax returns, and recent pay history, from all applicants, or
12 (ii) other verifiable evidence of earned and unearned income from those
13 persons not required to file tax returns; (b) check employment security
14 payroll records at least once every twelve months on all enrollees; (c)
15 require enrollees whose income as indicated by payroll records exceeds
16 that upon which their subsidy is based to document their current income
17 as a condition of continued eligibility; (d) require enrollees for whom
18 employment security payroll records cannot be obtained to document
19 their current income at least once every six months; (e) not reduce
20 gross family income for self-employed persons by noncash-flow expenses
21 such as, but not limited to, depreciation, amortization, and home
22 office deductions, as defined by the United States internal revenue
23 service; and (f) pursue repayment and civil penalties from persons who
24 have received excessive subsidies, as provided in RCW 70.47.060(9).

25 (6) To decrease administrative burdens for providers and plans
26 participating in state purchased health care programs, the
27 administrator, the assistant secretary for the medical assistance
28 administration of the department of social and health services, and the
29 director of the department of labor and industries, in collaboration
30 with health carriers, health care providers, and the office of the
31 insurance commissioner shall, within available resources:

32 (a) Improve the timeliness of claims processing and the
33 distribution of medical assistance program fee schedules, and more
34 clearly define the scope of coverage under managed care contracts;

35 (b) Improve the capacity for electronic billing and claims
36 submission and provide electronic access to eligibility, benefits, and
37 exclusion information;

1 (c) Develop clear audit and data requirements for contracting
2 managed health care plans and improve consistency between claims
3 processing and published fee schedules;

4 (d) Conform billing codes with providers and between agencies with
5 national and regional standards wherever possible; and

6 (e) Take steps to implement cost-effective measures pursuant to
7 this section by December 2004, and on or before December 1, 2003,
8 provide a progress report to the relevant policy and fiscal committees
9 of the legislature on the feasibility of implementation and any fiscal
10 constraints or regulatory or statutory barriers.

11 **Sec. 214.** 2003 1st sp.s. c 25 s 215 (uncodified) is amended to
12 read as follows:

13 **FOR THE BOARD OF INDUSTRIAL INSURANCE APPEALS**

14 Worker and Community Right-to-Know Account--State	
15 Appropriation	\$20,000
16 Accident Account--State Appropriation	((\$15,065,000))
17	<u>\$15,140,000</u>
18 Medical Aid Account--State Appropriation	((\$15,064,000))
19	<u>\$15,139,000</u>
20 TOTAL APPROPRIATION	((\$30,149,000))
21	<u>\$30,299,000</u>

22 **Sec. 215.** 2003 1st sp.s. c 25 s 217 (uncodified) is amended to
23 read as follows:

24 **FOR THE DEPARTMENT OF LABOR AND INDUSTRIES**

25 General Fund--State Appropriation (FY 2004)	\$5,863,000
26 General Fund--State Appropriation (FY 2005)	((\$5,860,000))
27	<u>\$6,145,000</u>
28 Public Safety and Education Account--State	
29 Appropriation	\$22,391,000
30 Public Safety and Education Account--Federal	
31 Appropriation	\$8,462,000
32 Asbestos Account--State Appropriation	((\$693,000))
33	<u>\$717,000</u>
34 Electrical License Account--State	
35 Appropriation	((\$28,966,000))
36	<u>\$29,589,000</u>

1	Farm Labor Revolving Account--Private/Local	
2	Appropriation	\$28,000
3	Worker and Community Right-to-Know Account--State	
4	Appropriation	((\$2,544,000))
5		<u>\$2,557,000</u>
6	Public Works Administration Account--State	
7	Appropriation	((\$2,411,000))
8		<u>\$2,769,000</u>
9	Accident Account--State Appropriation	((\$187,843,000))
10		<u>\$187,657,000</u>
11	Accident Account--Federal Appropriation	\$13,396,000
12	Medical Aid Account--State Appropriation	((\$186,724,000))
13		<u>\$186,537,000</u>
14	Medical Aid Account--Federal Appropriation	\$2,960,000
15	Plumbing Certificate Account--State	
16	Appropriation	((\$1,451,000))
17		<u>\$1,490,000</u>
18	Pressure Systems Safety Account--State	
19	Appropriation	((\$2,807,000))
20		<u>\$2,878,000</u>
21	TOTAL APPROPRIATION	((\$472,399,000))
22		<u>\$473,439,000</u>

23 The appropriations in this section are subject to the following
24 conditions and limitations:

25 ((+2)) (1) \$90,000 of the electrical license account--state
26 appropriation and \$206,000 of the plumbing certificate account--state
27 appropriation are provided solely to implement Engrossed Substitute
28 Senate Bill No. 5713 (electrical contractors). If the bill is not
29 enacted by June 30, 2003, the amounts provided in this subsection shall
30 lapse.

31 ((+3)) (2) \$378,000 of the accident account--state appropriation
32 is provided solely for the purpose of contracting with medical
33 laboratories, health care providers, and other appropriate entities to
34 provide cholinesterase medical monitoring of farm workers who handle
35 cholinesterase-inhibiting pesticides, and to collect and analyze data
36 related to such monitoring.

1	General Fund--State Appropriation (FY 2005)	((\$259,000))
2		<u>\$471,000</u>
3	TOTAL APPROPRIATION	((\$671,000))
4		<u>\$831,000</u>

5 The appropriations in this section are subject to the following
6 conditions and limitations:

7 (1) ((~~\$150,000~~)) \$98,000 of the general fund--state appropriation
8 for fiscal year 2004 ((~~is~~)) and \$52,000 of the general fund--state
9 appropriation for fiscal year 2005 are provided solely for the design
10 and development of the home care provider registry mandated by
11 Initiative Measure No. 775.

12 (2) Pursuant to RCW 74.39A.300(1), the legislature ((~~rejects~~)
13 rejected the collective bargaining agreement entered into by the home
14 care quality authority and the exclusive bargaining representative of
15 individual providers on January 13, 2003, under chapter 74.39A RCW
16 (Initiative Measure No. 775).

17 **Sec. 218.** 2003 1st sp.s. c 25 s 221 (uncodified) is amended to
18 read as follows:

19 **FOR THE DEPARTMENT OF HEALTH**

20	General Fund--State Appropriation (FY 2004)	((\$58,143,000))
21		<u>\$58,268,000</u>
22	General Fund--State Appropriation (FY 2005)	((\$60,224,000))
23		<u>\$60,788,000</u>
24	Health Services Account--State Appropriation	((\$34,289,000))
25		<u>\$35,089,000</u>
26	General Fund--Federal Appropriation	((\$348,897,000))
27		<u>\$392,425,000</u>
28	General Fund--Private/Local Appropriation	\$93,601,000
29	Hospital Commission Account--State	
30	Appropriation	\$2,490,000
31	Health Professions Account--State	
32	Appropriation	((\$40,097,000))
33		<u>\$40,285,000</u>
34	Emergency Medical Services and Trauma Care Systems	
35	Trust Account--State Appropriation	\$12,558,000
36	Safe Drinking Water Account--State	
37	Appropriation	\$2,728,000

1	Drinking Water Assistance Account--Federal	
2	Appropriation	((\$13,498,000))
3		<u>\$15,654,000</u>
4	Waterworks Operator Certification--State	
5	Appropriation	((\$633,000))
6		<u>\$1,053,000</u>
7	<u>Drinking Water Assistance Administrative Account--</u>	
8	<u>State Appropriation</u>	<u>\$326,000</u>
9	Water Quality Account--State Appropriation	\$3,359,000
10	Accident Account--State Appropriation	\$258,000
11	Medical Aid Account--State Appropriation	\$46,000
12	State Toxics Control Account--State	
13	Appropriation	\$2,761,000
14	Medical Test Site Licensure Account--State	
15	Appropriation	\$1,718,000
16	Youth Tobacco Prevention Account--State	
17	Appropriation	\$1,806,000
18	Tobacco Prevention and Control Account--State	
19	Appropriation	\$52,510,000
20	TOTAL APPROPRIATION	((\$729,616,000))
21		<u>\$777,723,000</u>

22 The appropriations in this section are subject to the following
23 conditions and limitations:

24 (1) The department or any successor agency is authorized to raise
25 existing fees charged for health care assistants, commercial shellfish
26 paralytic shellfish poisoning, commercial shellfish licenses, ((and))
27 newborn screening programs, psychiatrically impaired children and youth
28 residential treatment, in-home services, and midwives in excess of the
29 fiscal growth factor established by Initiative Measure No. 601, if
30 necessary, to meet the actual costs of conducting business and the
31 appropriation levels in this section.

32 (2) \$1,337,000 of the general fund--state fiscal year 2004
33 appropriation and \$1,338,000 of the general fund--state fiscal year
34 2005 appropriation are provided solely for the implementation of the
35 Puget Sound water work plan and agency action items, DOH-01, DOH-02,
36 DOH-03, and DOH-04.

37 (3) The department of health shall not initiate any services that
38 will require expenditure of state general fund moneys unless expressly

1 authorized in this act or other law. The department may seek, receive,
2 and spend, under RCW 43.79.260 through 43.79.282, federal moneys not
3 anticipated in this act as long as the federal funding does not require
4 expenditure of state moneys for the program in excess of amounts
5 anticipated in this act. If the department receives unanticipated
6 unrestricted federal moneys, those moneys shall be spent for services
7 authorized in this act or in any other legislation that provides
8 appropriation authority, and an equal amount of appropriated state
9 moneys shall lapse. Upon the lapsing of any moneys under this
10 subsection, the office of financial management shall notify the
11 legislative fiscal committees. As used in this subsection,
12 "unrestricted federal moneys" includes block grants and other funds
13 that federal law does not require to be spent on specifically defined
14 projects or matched on a formula basis by state funds.

15 (4) \$21,650,000 of the health services account--state appropriation
16 is provided solely for the state's program of universal access to
17 essential childhood vaccines. The department shall utilize all
18 available federal funding before expenditure of these funds.

19 (5) \$2,984,000 of the general fund--local appropriation is provided
20 solely for development and implementation of an internet-based system
21 for preparing and retrieving death certificates as provided in
22 Substitute Senate Bill No. 5545 (chapter 241, Laws of 2003, web-based
23 vital records).

24 (6) The department of social and health services, the office of the
25 superintendent of public instruction, and the department of health
26 should jointly identify opportunities for early intervention and
27 prevention activities that can help prevent disease and reduce oral
28 health issues among children. Disease prevention among infants at the
29 age of one year and among children entering the K-12 education system
30 provides cost-effective ways to avoid higher health care spending later
31 in life.

32 (7) \$92,000 of the general fund--state appropriation for fiscal
33 year 2004, \$19,000 of the general fund--state appropriation for fiscal
34 year 2005, and \$987,000 of the general fund--local appropriation are
35 provided solely for implementation of Substitute House Bill No. 1338
36 (municipal water rights). If Substitute House Bill No. 1338 is not
37 enacted by June 30, 2003, the amounts provided in this subsection shall
38 lapse.

1	(3) COMMUNITY SUPERVISION	
2	General Fund--State Appropriation (FY 2004)	((\$73,952,000))
3		<u>\$92,734,000</u>
4	General Fund--State Appropriation (FY 2005)	((\$74,200,000))
5		<u>\$94,049,000</u>
6	Public Safety and Education	
7	Account--State Appropriation	\$15,492,000
8	TOTAL APPROPRIATION	((\$163,644,000))
9		<u>\$202,275,000</u>

10 The appropriations in this subsection are subject to the following
11 conditions and limitations:

12 (a) The department of corrections shall accomplish personnel
13 reductions with the least possible impact on correctional custody
14 staff, community custody staff, and correctional industries. For the
15 purposes of this subsection, correctional custody staff means employees
16 responsible for the direct supervision of offenders.

17 (b) \$75,000 of the general fund--state appropriation for fiscal
18 year 2004 and \$75,000 of the general fund--state appropriation for
19 fiscal year 2005 are provided solely for the department of corrections
20 to contract with the institute for public policy for responsibilities
21 assigned in chapter 196, Laws of 1999 (offender accountability act) and
22 sections 7 through 12 of chapter 197, Laws of 1999 (drug offender
23 sentencing).

24 (c) \$100,000 of the general fund--state appropriation for fiscal
25 year 2004 is provided solely for a pilot project to test the
26 availability, reliability, and effectiveness of an electronic
27 monitoring system based on passive data logging global positioning
28 system technology for monitoring sex offenders.

29 (i) The department of corrections shall work with the Washington
30 association of sheriffs and police chiefs and the department of social
31 and health services to establish the pilot project.

32 (ii) The pilot project shall be of sufficient size to test the
33 reliability of the technology in a variety of geographical
34 circumstances including both urban and rural locations.

35 (iii) The pilot project shall test the system using sex or
36 kidnapping offenders under the jurisdiction of the department of
37 corrections and persons civilly committed under chapter 71.09 RCW under
38 a variety of supervision circumstances. Offenders included in the

1 pilot project shall be offenders who have been classified as level
2 three offenders by the end of sentence review committee and over whom
3 the department of corrections has authority to establish conditions of
4 supervision or persons who have been ordered to be electronically
5 monitored by the court in a proceeding under chapter 71.09 RCW and who
6 have been classified as level three offenders by the end of sentence
7 review committee.

8 (iv) The pilot project shall specifically examine the feasibility
9 of electronic monitoring for level three sex offenders or kidnapping
10 offenders who register as homeless or transient.

11 (v) The Washington association of sheriffs and police chiefs shall
12 report to the appropriate committees of the legislature and the
13 governor on the results of the pilot project by January 31, 2004. The
14 report must include, but is not limited to:

15 (A) The availability of the technology, including a description of
16 the system used and a discussion of the various types of global
17 positioning system-based monitoring available and appropriate for a sex
18 offender population;

19 (B) Any geographic or weather-related limitations posed by the
20 technology;

21 (C) The reliability, including the false alarm rate of the
22 technology;

23 (D) Any training requirements for department of corrections staff
24 or supervised persons;

25 (E) Any distinctions in effectiveness or feasibility for different
26 supervision populations;

27 (F) Costs, including equipment costs, monitoring fees, and any
28 changes to department of corrections staffing levels;

29 (G) The ability of the subjects of the pilot to pay for daily
30 and/or equipment costs;

31 (H) The rate of loss or damage to equipment used by the subjects of
32 the pilot project; and

33 (I) Limitations in the pilot project to determining the answers to
34 the items in this subsection (3)(c)(v).

35 The association shall make a recommendation in the report about the
36 frequency and timing of monitoring reports, and the need for further
37 study of the issue to determine efficacy and reliability.

38 (4) CORRECTIONAL INDUSTRIES

1	General Fund--State Appropriation (FY 2004)	\$626,000
2	General Fund--State Appropriation (FY 2005)	\$626,000
3	TOTAL APPROPRIATION	\$1,252,000

4 The appropriations in this subsection are subject to the following
5 conditions and limitations: \$110,000 of the general fund--state
6 appropriation for fiscal year 2004 and \$110,000 of the general fund--
7 state appropriation for fiscal year 2005 are provided solely for
8 transfer to the jail industries board. The board shall use the amounts
9 provided only for administrative expenses, equipment purchases, and
10 technical assistance associated with advising cities and counties in
11 developing, promoting, and implementing consistent, safe, and efficient
12 offender work programs.

13 (5) INTERAGENCY PAYMENTS

14	General Fund--State Appropriation (FY 2004)	((\$25,099,000))
15		<u>\$26,259,000</u>
16	General Fund--State Appropriation (FY 2005)	((\$25,134,000))
17		<u>\$26,218,000</u>
18	TOTAL APPROPRIATION	((\$50,233,000))
19		<u>\$52,477,000</u>

20 **Sec. 220.** 2003 1st sp.s. c 25 s 226 (uncodified) is amended to
21 read as follows:

22 **FOR THE EMPLOYMENT SECURITY DEPARTMENT**

23	General Fund--Federal Appropriation	\$267,586,000
24	General Fund--Private/Local Appropriation	\$30,103,000
25	Unemployment Compensation Administration Account--	
26	Federal Appropriation	((\$184,878,000))
27		<u>\$191,331,000</u>
28	Administrative Contingency Account--State	
29	Appropriation	((\$14,721,000))
30		<u>\$12,721,000</u>
31	Employment Service Administrative Account--State	
32	Appropriation	\$23,184,000
33	TOTAL APPROPRIATION	((\$520,472,000))
34		<u>\$524,925,000</u>

35 The appropriations in this subsection are subject to the following
36 conditions and limitations: ~~((\$100,000 of the administrative~~

1 ~~contingency account appropriation is provided solely to establish an~~
2 ~~advisory partnership on the Washington manufacturing sector as outlined~~
3 ~~in Substitute House Bill No. 2164 (manufacturing advisory partnership)~~
4 ~~and recommended in the report entitled manufacturing in Washington~~
5 ~~state, 1990-2002: trends and implications for the industry and state.)~~

6 (1) \$4,453,000 of the unemployment compensation administration
7 account--federal appropriation is provided from funds made available to
8 the state by section 903(d) of the Social Security Act (Reed Act).
9 These funds are provided to replace obsolete information technology
10 infrastructure.

11 (2) \$2,000,000 of the unemployment compensation administration
12 account--federal appropriation is provided from funds made available to
13 the state by section 903(d) of the Social Security Act (Reed Act).
14 These funds are authorized for employer outreach activities and to
15 prevent, detect, and collect unemployment insurance benefit
16 overpayments.

(End of part)

PART III
NATURAL RESOURCES

Sec. 301. 2003 1st sp.s. c 25 s 302 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ECOLOGY

General Fund--State Appropriation (FY 2004)	((\$33,464,000))
	<u>\$35,746,000</u>
General Fund--State Appropriation (FY 2005)	((\$33,263,000))
	<u>\$37,146,000</u>
General Fund--Federal Appropriation	\$57,143,000
General Fund--Private/Local Appropriation	\$3,696,000
Special Grass Seed Burning Research Account--	
State Appropriation	\$14,000
Reclamation Revolving Account--State	
Appropriation	((\$2,760,000))
	<u>\$3,490,000</u>
Flood Control Assistance Account--	
State Appropriation	((\$2,019,000))
	<u>\$2,159,000</u>
State Emergency Water Projects Revolving Account--	
State Appropriation	((\$552,000))
	<u>\$725,000</u>
Waste Reduction/Recycling/Litter Control Account--	
State Appropriation	\$13,714,000
State Drought Preparedness Account--State	
Appropriation	((\$1,708,000))
	<u>\$1,858,000</u>
State and Local Improvements Revolving Account	
(Water Supply Facilities)--State	
Appropriation	\$593,000
Site Closure Account--State Appropriation	\$629,000
Water Quality Account--State Appropriation	\$25,252,000
Wood Stove Education and Enforcement Account--	
State Appropriation	\$356,000
Worker and Community Right-to-Know Account--	
State Appropriation	\$3,348,000

1	State Toxics Control Account--State	
2	Appropriation	((\$59,268,000))
3		<u>\$59,704,000</u>
4	State Toxics Control Account--Private/Local	
5	Appropriation	\$353,000
6	Local Toxics Control Account--State	
7	Appropriation	\$4,878,000
8	Water Quality Permit Account--State	
9	Appropriation	\$25,205,000
10	Underground Storage Tank Account--State	
11	Appropriation	\$2,710,000
12	Environmental Excellence Account--State	
13	Appropriation	\$504,000
14	Biosolids Permit Account--State Appropriation	\$784,000
15	Hazardous Waste Assistance Account--State	
16	Appropriation	((\$4,185,000))
17		<u>\$4,535,000</u>
18	Air Pollution Control Account--State	
19	Appropriation	\$1,654,000
20	Oil Spill Prevention Account--State	
21	Appropriation	\$7,745,000
22	Air Operating Permit Account--State	
23	Appropriation	\$3,693,000
24	Freshwater Aquatic Weeds Account--State	
25	Appropriation	\$2,503,000
26	Oil Spill Response Account--State	
27	Appropriation	\$7,078,000
28	Metals Mining Account--State Appropriation	\$19,000
29	Water Pollution Control Revolving Account--	
30	State Appropriation	((\$380,000))
31		<u>\$387,000</u>
32	Water Pollution Control Revolving Account--	
33	Federal Appropriation	((\$1,867,000))
34		<u>\$1,901,000</u>
35	TOTAL APPROPRIATION	((\$301,337,000))
36		<u>\$309,522,000</u>

37 The appropriations in this section are subject to the following
38 conditions and limitations:

1 (1) \$2,757,696 of the general fund--state appropriation for fiscal
2 year 2004, \$2,757,696 of the general fund--state appropriation for
3 fiscal year 2005, \$394,000 of the general fund--federal appropriation,
4 \$2,581,000 of the state toxics account--state appropriation, \$217,830
5 of the water quality account--state appropriation, \$322,976 of the
6 state drought preparedness account--state appropriation, \$3,748,220 of
7 the water quality permit account--state appropriation, and \$704,942 of
8 the oil spill prevention account are provided solely for the
9 implementation of the Puget Sound work plan and agency action items
10 DOE-01, DOE-02, DOE-04, DOE-05, DOE-06, DOE-07, DOE-08, and DOE-09.

11 (2) \$4,059,000 of the state toxics control account appropriation is
12 provided solely for methamphetamine lab clean-up activities.

13 (3) \$170,000 of the oil spill prevention account appropriation is
14 provided solely for implementation of the Puget Sound work plan action
15 item UW-02 through a contract with the University of Washington's sea
16 grant program to develop an educational program targeted to small
17 spills from commercial fishing vessels, ferries, cruise ships, ports,
18 and marinas.

19 (4) (~~(\$1,000,000)~~) \$600,000 of the general fund--state
20 appropriation for fiscal year 2004 and (~~(\$1,000,000)~~) \$1,400,000 of the
21 general fund--state appropriation for fiscal year 2005 are provided
22 solely for shoreline grants to local governments to implement
23 Substitute Senate Bill No. 6012 (shoreline management), chapter 262,
24 Laws of 2003.

25 (5) Fees approved by the department of ecology in the 2003-05
26 biennium are authorized to exceed the fiscal growth factor under RCW
27 43.135.055.

28 (6) \$200,000 of the water quality account--state appropriation is
29 provided solely for the department to contract with Washington State
30 University cooperative extension program to provide statewide
31 coordination and support for coordinated resource management.

32 (7) \$100,000 of the state toxics control account--state
33 appropriation is provided solely to implement Engrossed Substitute
34 House Bill No. 1002 (mercury), chapter 260, Laws of 2003. If the bill
35 is not enacted by June 30, 2003, the amount provided in this subsection
36 shall lapse.

37 (8) The department of ecology is authorized to take one of the
38 following actions related to the grant awarded in the 2001-03 biennium

1 to Lincoln county for the Negro Creek flood control project, flood
2 control assistance account program grant G0200049: (a) Carry forward
3 to the 2003-05 biennium any unspent portion of the grant, or (b) extend
4 the time of performance for the grant contract to the end of the 2003-
5 2005 biennium.

6 (9) \$3,134,000 of the general fund--state appropriation for fiscal
7 year 2005 is provided solely to implement instream flow achievement and
8 protection legislation. Of this amount, \$2,010,000 is for flow
9 achievement and protection and \$1,124,000 is for water masters. If
10 legislation is not implemented by June 30, 2004, the amount provided in
11 this subsection shall lapse.

12 (10) \$730,000 of the reclamation account--state appropriation is
13 provided solely to implement agency request well construction fees
14 legislation (Z-0797.4/04). If legislation is not implemented by June
15 30, 2004, the amount provided in this subsection shall lapse.

16 (11) Within the amounts appropriated in this section the department
17 shall convene and staff a water resources funding task force. The task
18 force shall evaluate the current funding of state water resources
19 programs, assess future funding needs, and make recommendations
20 regarding how these programs should be adequately funded in the future.
21 The report shall include, but is not limited to, an analysis of current
22 water resources' fees and recommendations concerning equitable fee
23 levels. The task force shall file its report of findings and
24 recommendations with the governor and the appropriate committees of the
25 legislature by September 15, 2004. The task force shall consist of one
26 representative from each of the following: Agriculture, industry,
27 environmental, fisheries, cities, counties, Indian tribes, U.S. bureau
28 of reclamation, water utilities, and power utilities; three
29 representatives of the state executive branch; and one representative
30 each of the majority and minority caucuses of each house of the
31 legislature as appointed by the speaker of the house of representatives
32 and the president of the senate.

33 (12) \$436,000 of the state toxics control account--state
34 appropriation is provided solely to implement the mercury chemical
35 action plan, resume fish tissue monitoring, establish criteria to
36 select chemicals, and develop the next chemical action plans. Of this
37 amount: (a) \$84,000 is provided for development of a memorandum of
38 understanding with the Washington state hospital association and the

1 auto recyclers of Washington to ensure the safe removal and disposal of
 2 products containing mercury; (b) \$75,000 is provided for ongoing
 3 fluorescent lamp recycling; (c) \$111,000 is provided to resume ongoing
 4 baseline fish tissue sampling; (d) \$83,000 is provided to complete rule
 5 development establishing criteria that will be used to select toxic
 6 chemicals for future chemical action plans; and (e) \$83,000 is provided
 7 for development of ongoing chemical action plans.

8 **Sec. 302.** 2003 1st sp.s. c 25 s 303 (uncodified) is amended to
 9 read as follows:

10 **FOR THE STATE PARKS AND RECREATION COMMISSION**

11	General Fund--State Appropriation (FY 2004)	((\$29,986,000))
12		<u>\$30,135,000</u>
13	General Fund--State Appropriation (FY 2005)	((\$29,976,000))
14		<u>\$30,160,000</u>
15	General Fund--Federal Appropriation	\$2,666,000
16	General Fund--Private/Local Appropriation	\$63,000
17	Winter Recreation Program Account--State	
18	Appropriation	\$1,079,000
19	Off Road Vehicle Account--State Appropriation	\$285,000
20	Snowmobile Account--State Appropriation	\$4,790,000
21	Aquatic Lands Enhancement Account--State	
22	Appropriation	\$332,000
23	Public Safety and Education Account--State	
24	Appropriation	\$47,000
25	Parks Renewal and Stewardship Account--	
26	State Appropriation	((\$33,769,000))
27		<u>\$34,415,000</u>
28	<u>Parks Renewal and Stewardship Account--Private/Local</u>	
29	<u>Appropriation</u>	<u>\$300,000</u>
30	TOTAL APPROPRIATION	((\$102,993,000))
31		<u>\$104,272,000</u>

32 The appropriations in this section are subject to the following
 33 conditions and limitations:

34 (1) Fees approved by the state parks and recreation commission in
 35 the 2003-05 biennium are authorized to exceed the fiscal growth factor
 36 under RCW 43.135.055.

1 (2) \$79,000 of the general fund--state appropriation for fiscal
2 year 2004, \$79,000 of the general fund--state appropriation for fiscal
3 year 2005, and \$8,000 of the winter recreation program account--state
4 appropriation are provided solely for a grant for the operation of the
5 Northwest avalanche center.

6 (3) \$191,000 of the aquatic lands enhancement account appropriation
7 is provided solely for the implementation of the Puget Sound work plan
8 and agency action item P+RC-02.

9 (4) At each state park at which a parking fee is collected, the
10 state parks and recreation commission shall provide notice that the
11 revenue collected from the parking fee shall be used to fund
12 expenditures to maintain and improve the state park system.

13 **Sec. 303.** 2003 1st sp.s. c 25 s 304 (uncodified) is amended to
14 read as follows:

15 **FOR THE INTERAGENCY COMMITTEE FOR OUTDOOR RECREATION**

16	General Fund--State Appropriation (FY 2004)	\$1,246,000
17	General Fund--State Appropriation (FY 2005)	((\$1,256,000))
18		<u>\$1,581,000</u>
19	General Fund--Federal Appropriation	\$17,983,000
20	<u>General Fund--Private/Local Appropriation</u>	<u>\$125,000</u>
21	Firearms Range Account--State Appropriation	\$22,000
22	Recreation Resources Account--State	
23	Appropriation	\$2,608,000
24	NOVA Program Account--State Appropriation	\$691,000
25	Water Quality Account--State Appropriation	\$200,000
26	Aquatic Lands Enhancement Account--State Appropriation	\$254,000
27	TOTAL APPROPRIATION	((\$24,260,000))
28		<u>\$24,710,000</u>

29 The appropriations in this section are subject to the following
30 conditions and limitations:

31 (1) \$16,000,000 of the general fund--federal appropriation is
32 provided solely for implementation of the forest and fish agreement
33 rules. These funds will be passed through to the department of natural
34 resources and the department of fish and wildlife.

35 (2) \$41,000 of the general fund--state appropriation for fiscal
36 year 2004 and \$41,000 of the general fund--state appropriation for

1 fiscal year 2005 are provided solely for the operation and maintenance
2 of the natural resources data portal.

3 (3) \$812,000 of the general fund--state appropriation for fiscal
4 year 2004, \$813,000 of the general fund--state appropriation for fiscal
5 year 2005, and \$1,625,000 of the general fund--federal appropriation
6 are provided to the salmon recovery funding board for distribution to
7 lead entities. The board may establish policies to require
8 coordination of funding requests from lead entities and regional
9 recovery boards to ensure that recovery efforts are synchronized. At
10 the discretion of the board, funding shall be concentrated in
11 watersheds within the highest priority salmon recovery regions as
12 defined by the statewide strategy to recover salmon. The board shall
13 also coordinate funding decisions with the northwest power planning
14 council to ensure maximum efficiency and investment return.

15 (4) \$234,000 of the general fund--state appropriation for fiscal
16 year 2004 and \$234,000 of the general fund--state appropriation for
17 fiscal year 2005 are provided solely to implement priority
18 recommendations developed by the monitoring oversight committee as
19 directed by RCW 77.85.210. Within these funds, activity shall be
20 directed to improve monitoring oversight within watersheds, enhance
21 data coordination and access among recovery partners, and produce a
22 state watershed health report card.

23 (5) \$125,000 of the general fund--state appropriation for fiscal
24 year 2005 and \$125,000 of the general fund--private/local appropriation
25 are provided solely to begin implementing the recommendations contained
26 in the Washington Biodiversity Conservation Strategic Report (October
27 2003), including the development of a state biodiversity strategy. The
28 general fund--state appropriation must be matched by an equal amount of
29 nonstate funding. During fiscal year 2005, work shall concentrate on
30 identifying elements for a comprehensive biodiversity strategy,
31 developing incentives for private landowners to protect biodiversity,
32 enhancing state agency assessments of ecoregions, and increasing
33 efforts to conserve biodiversity on state lands.

34 **Sec. 304.** 2003 1st sp.s. c 25 s 305 (uncodified) is amended to
35 read as follows:

36 **FOR THE ENVIRONMENTAL HEARINGS OFFICE**

37 General Fund--State Appropriation (FY 2004) ((~~\$923,000~~))

1		<u>\$934,000</u>
2	General Fund--State Appropriation (FY 2005)	((\$960,000))
3		<u>\$998,000</u>
4	TOTAL APPROPRIATION	((\$1,883,000))
5		<u>\$1,932,000</u>

6 The appropriations in this section are subject to the following
7 conditions and limitations: \$30,000 of the general fund--state
8 appropriation for fiscal year 2004 and \$20,000 of the general fund--
9 state appropriation for fiscal year 2005 are provided solely to
10 implement Engrossed Substitute Senate Bill No. 5776 (review of permit
11 decisions), chapter 393, Laws of 2003.

12 **Sec. 305.** 2003 1st sp.s. c 25 s 307 (uncodified) is amended to
13 read as follows:

14 **FOR THE DEPARTMENT OF FISH AND WILDLIFE**

15	General Fund--State Appropriation (FY 2004)	((\$41,453,000))
16		<u>\$41,978,000</u>
17	General Fund--State Appropriation (FY 2005)	((\$40,179,000))
18		<u>\$40,564,000</u>
19	General Fund--Federal Appropriation	((\$31,632,000))
20		<u>\$40,316,000</u>
21	General Fund--Private/Local Appropriation	((\$24,300,000))
22		<u>\$29,420,000</u>
23	Off Road Vehicle Account--State	
24	Appropriation	\$501,000
25	Aquatic Lands Enhancement Account--State	
26	Appropriation	\$5,620,000
27	Public Safety and Education Account--State	
28	Appropriation	\$562,000
29	Recreational Fisheries Enhancement Account--	
30	State Appropriation	\$3,392,000
31	Warm Water Game Fish Account--State	
32	Appropriation	\$2,568,000
33	Eastern Washington Pheasant Enhancement Account--	
34	State Appropriation	\$750,000
35	Wildlife Account--State Appropriation	((\$57,138,000))
36		<u>\$58,444,000</u>
37	Wildlife Account--Federal Appropriation	((\$38,216,000))

1		<u>\$29,532,000</u>
2	Wildlife Account--Private/Local	
3	Appropriation	((\$15,158,000))
4		<u>\$10,038,000</u>
5	Game Special Wildlife Account--State	
6	Appropriation	((\$1,949,000))
7		<u>\$1,968,000</u>
8	Game Special Wildlife Account--Federal	
9	Appropriation	((\$9,598,000))
10		<u>\$8,720,000</u>
11	Game Special Wildlife Account--Private/Local	
12	Appropriation	\$350,000
13	Environmental Excellence Account--State	
14	Appropriation	\$15,000
15	Regional Fisheries Salmonid Recovery Account--	
16	Federal Appropriation	\$1,750,000
17	Oil Spill Prevention Account--State	
18	Appropriation	\$981,000
19	Oyster Reserve Land Account--State	
20	Appropriation	((\$137,000))
21		<u>\$411,000</u>
22	TOTAL APPROPRIATION	((\$276,249,000))
23		<u>\$277,880,000</u>

24 The appropriations in this section are subject to the following
25 conditions and limitations:

26 (1) \$1,355,714 of the general fund--state appropriation for fiscal
27 year 2004, \$1,355,713 of the general fund--state appropriation for
28 fiscal year 2005, and \$402,000 of the wildlife account--state
29 appropriation are provided solely for the implementation of the Puget
30 Sound work plan and agency action items DFW-01 through DFW-06.

31 (2) \$225,000 of the general fund--state appropriation for fiscal
32 year 2004, \$225,000 of the general fund--state appropriation for fiscal
33 year 2005, and \$550,000 of the wildlife account--state appropriation
34 are provided solely for the implementation of hatchery reform
35 recommendations defined by the hatchery scientific review group.

36 (3) ((~~\$850,000~~)) \$1,016,000 of the wildlife account--state
37 appropriation is provided solely for stewardship and maintenance needs
38 on agency-owned lands and water access sites.

1 (4) \$900,000 of the wildlife fund--state appropriation is provided
2 solely for wetland restoration activities for migratory waterfowl by
3 providing landowner incentives to create or maintain waterfowl habitat
4 and management activities.

5 (5) \$2,000,000 of the aquatic lands enhancement account
6 appropriation is provided for cooperative volunteer projects.

7 (6) The department shall support the activities of the aquatic
8 nuisance species coordination committee to foster state, federal,
9 tribal, and private cooperation on aquatic nuisance species issues.
10 The committee shall strive to prevent the introduction of nonnative
11 aquatic species and to minimize the spread of species that are
12 introduced.

13 (7) The department shall develop and implement an activity-based
14 costing system. The system shall be operational no later than January
15 1, 2004.

16 (8) \$400,000 of the wildlife account--state appropriation is
17 provided solely to implement the department's information systems
18 strategic plan to include continued implementation of a personal
19 computer leasing plan, an upgrade of computer back-up systems, systems
20 architecture assessment, and network security analysis.

21 (9) Within funds provided, the department shall make available
22 enforcement and biological staff to respond and take appropriate action
23 to ensure public safety in response to public complaints regarding bear
24 and cougar.

25 (10) \$43,000 of the general fund--state appropriation for fiscal
26 year 2004 and \$42,000 of the general fund--state appropriation for
27 fiscal year 2005 are provided solely for staffing and operation of the
28 Tennant Lake interpretive center.

29 (11) \$80,000 of the general fund--state appropriation for fiscal
30 year 2004 and \$77,000 of the general fund--state appropriation for
31 fiscal year 2005 are provided solely to implement Second Substitute
32 House Bill No. 1095 (small forest landowners), chapter 311, Laws of
33 2003.

34 (12) \$25,000 of the general fund--state appropriation for fiscal
35 year 2004 and \$25,000 of the general fund--state appropriation for
36 fiscal year 2005 are provided solely to implement Engrossed Second
37 Substitute House Bill No. 1338 (municipal water rights). If the bill

1 is not enacted by June 30, 2003, the amounts provided in this
2 subsection shall lapse.

3 (13) \$110,000 of the general fund--state appropriation for fiscal
4 year 2004 and \$110,000 of the general fund--state appropriation for
5 fiscal year 2005 are provided solely for economic adjustment assistance
6 to fishermen pursuant to the 1999 Pacific salmon treaty agreement.

7 (14) The department shall emphasize enforcement of laws related to
8 protection of fish habitat and the illegal harvest of salmon and
9 steelhead. Within the amount provided for the agency, the department
10 shall provide support to the department of health to enforce state
11 shellfish harvest laws.

12 (15) \$150,000 of the general fund--state appropriation for fiscal
13 year 2005 is provided solely to implement additional selective
14 recreational fisheries to include one additional fishery each in
15 eastern and western Washington. The department shall determine the
16 eastern Washington fishery while the western Washington fishery shall
17 be for Lake Washington Sockeye.

18 (16) \$150,000 of the general fund--state appropriation for fiscal
19 year 2005 and \$150,000 of the wildlife account--state appropriation are
20 provided solely to complete phase II of the contract management system
21 (CAPS). The CAPS system phase II shall be operational no later than
22 June 30, 2005.

23 **Sec. 306.** 2003 1st sp.s. c 25 s 308 (uncodified) is amended to
24 read as follows:

25 **FOR THE DEPARTMENT OF NATURAL RESOURCES**

26	General Fund--State Appropriation (FY 2004)	((\$30,307,000))
27		<u>\$60,406,000</u>
28	General Fund--State Appropriation (FY 2005)	((\$34,233,000))
29		<u>\$34,746,000</u>
30	General Fund--Federal Appropriation	((\$3,809,000))
31		<u>\$4,462,000</u>
32	General Fund--Private/Local Appropriation	\$2,482,000
33	Forest Development Account--State	
34	Appropriation	((\$52,060,000))
35		<u>\$52,075,000</u>
36	Off Road Vehicle Account--State	
37	Appropriation	((\$4,028,000))

1		<u>\$4,029,000</u>
2	Surveys and Maps Account--State	
3	Appropriation	((\$2,760,000))
4		<u>\$2,761,000</u>
5	Aquatic Lands Enhancement Account--State	
6	Appropriation	((\$6,884,000))
7		<u>\$6,885,000</u>
8	Resources Management Cost Account--State	
9	Appropriation	((\$70,391,000))
10		<u>\$70,418,000</u>
11	Surface Mining Reclamation Account--State	
12	Appropriation	\$2,293,000
13	Disaster Response Account--State Appropriation	\$7,200,000
14	Water Quality Account--State Appropriation	\$2,479,000
15	Aquatic Land Dredged Material Disposal Site	
16	Account--State Appropriation	\$1,311,000
17	Natural Resource Conservation Areas Stewardship	
18	Account Appropriation	\$83,000
19	Air Pollution Control Account--State	
20	Appropriation	\$526,000
21	Agricultural College Trust Management Account	
22	Appropriation	\$1,868,000
23	Derelict Vessel Removal Account--State	
24	Appropriation	\$1,130,000
25	TOTAL APPROPRIATION	((\$223,844,000))
26		<u>\$255,154,000</u>

27 The appropriations in this section are subject to the following
28 conditions and limitations:

29 (1) \$18,000 of the general fund--state appropriation for fiscal
30 year 2004, \$18,000 of the general fund--state appropriation for fiscal
31 year 2005, and \$1,006,950 of the aquatic lands enhancement account
32 appropriation are provided solely for the implementation of the Puget
33 Sound work plan and agency action items DNR-01, DNR-02, and DNR-04.

34 (2) \$908,000 of the general fund--state appropriation for fiscal
35 year 2004 and \$910,000 of the general fund--state appropriation for
36 fiscal year 2005 are provided solely for deposit into the agricultural
37 college trust management account and are provided solely to manage

1 approximately 70,700 acres of Washington State University's
2 agricultural college trust lands.

3 (3) (~~(\$1,158,000)~~) \$30,751,000 of the general fund--state
4 appropriation for fiscal year 2004, \$8,358,000 of the general fund--
5 state appropriation for fiscal year 2005, and \$7,200,000 of the
6 disaster response account--state appropriation are provided solely for
7 emergency fire suppression.

8 (4) \$582,000 of the aquatic lands enhancement account appropriation
9 is provided solely for spartina control.

10 (5) Fees approved by the board of natural resources in the 2003-05
11 biennium are authorized to exceed the fiscal growth factor under RCW
12 43.135.055.

13 (6) The department shall prepare a report of actual and planned
14 expenditures by task and activity from all fund sources for all aspects
15 of the forest and fish program for the 2001-03 and 2003-05 biennia.
16 The report shall be submitted to the director of financial management
17 and the legislative fiscal committees by August 31, 2003.

18 (7) Authority to expend funding for acquisition of technology
19 equipment and software associated with development of a new revenue
20 management system is conditioned on compliance with section 902 of this
21 act.

22 (8) \$1,000,000 of the aquatic lands enhancement account--state
23 appropriation is provided solely for the department to meet its
24 obligations with the U.S. environmental protection agency for the
25 clean-up of Commencement Bay.

26 (9) For the 2003-05 fiscal biennium, the department has revised the
27 methodology by which administrative costs of the department are
28 allocated among the state general fund and the various dedicated funds
29 and accounts from which the department receives appropriations. The
30 legislature recognizes that the revised methodology represents a fair
31 and equitable allocation of costs under state law and accounting rules.
32 The legislature further finds that retroactive application of the
33 revised methodology is neither practical nor desirable.

34 (10) The department of natural resources shall provide a report to
35 the appropriate committees of the legislature, the office of financial
36 management, and the board of natural resources concerning the costs and
37 effectiveness of the contract harvesting program as authorized by

1 Second Substitute Senate Bill No. 5074 (contract harvesting), chapter
2 313, Laws of 2003. The report shall be submitted by December 31, 2006,
3 and shall include the following information:

4 (a) Number of sales conducted through contract harvesting;

5 (b) For each sale conducted, the (i) number of board feet sold;
6 (ii) stumpage and pond prices; (iii) difference in revenues received
7 compared to revenues that would have accrued through noncontract
8 harvest sales, and the distribution of revenues to the contract
9 harvesting revolving account, and to applicable management and trust
10 accounts; and (iv) total cost to conduct the contract harvest, by fund
11 and object of expenditure; and

12 (c) Other costs and benefits attributable to contract harvesting.

13 (11) \$208,000 of the general fund--state appropriation of fiscal
14 year 2004 and \$70,000 of the general fund--state appropriation for
15 fiscal year 2005 are provided solely to implement Second Substitute
16 House Bill No. 1095 (small forest landowners), chapter 311, Laws of
17 2003.

18 (12) The department of natural resources shall not close Sahara
19 Creek facility, campground, or trailhead. The appropriations in this
20 section are deemed sufficient to provide service for these recreational
21 opportunities.

22 (13) \$4,000 of the general fund--state appropriation for fiscal
23 year 2004 and \$4,000 of the general fund--state appropriation for
24 fiscal year 2005 are provided solely to compensate the forest board
25 trust for a portion of the lease to the Crescent television improvement
26 district consistent with RCW 79.12.055.

27 (14) \$2,700,000 of the general fund--state appropriation for fiscal
28 year 2004 is provided solely to the department of natural resources to
29 acquire approximately 232 acres of land and timber in Klickitat county
30 from the SDS lumber company. Expenditure of the moneys provided in
31 this subsection shall not be made until the SDS lumber company accepts
32 the land and timber acquisition as full and complete settlement of the
33 current litigation brought by the SDS lumber company against the state
34 and the litigation is dismissed, with prejudice. The land and timber
35 acquired with the funding in this subsection shall be managed for the
36 benefit of the common schools. By June 30, 2004, if the department has
37 not recovered through trust asset management the state's capital

1 investment from the land acquisition provided in this subsection, the
2 department shall seek reimbursement from the federal government.

3 (15) \$265,000 of the aquatic lands enhancement account
4 appropriation is provided solely for developing a pilot project to
5 study the feasibility of geoduck aquaculture on both intertidal and
6 subtidal lands in the state of Washington.

7 **Sec. 307.** 2003 1st sp.s. c 25 s 309 (uncodified) is amended to
8 read as follows:

9 **FOR THE DEPARTMENT OF AGRICULTURE**

10	General Fund--State Appropriation (FY 2004)	\$7,444,000
11	General Fund--State Appropriation (FY 2005)	((\$7,244,000))
12		<u>\$7,624,000</u>
13	General Fund--Federal Appropriation	\$10,068,000
14	General fund--Private/Local Appropriation	\$1,110,000
15	Aquatic Lands Enhancement Account--State	
16	Appropriation	\$1,942,000
17	Water Quality Account--State Appropriation	\$692,000
18	State Toxics Control Account--State	
19	Appropriation	((\$2,580,000))
20		<u>\$2,780,000</u>
21	Water Quality Permit Account--State Appropriation	\$165,000
22	TOTAL APPROPRIATION	((\$31,245,000))
23		<u>\$31,825,000</u>

24 The appropriations in this section are subject to the following
25 conditions and limitations:

26 (1) \$37,000 of the general fund--state appropriation for fiscal
27 year 2004 and \$37,000 of the general fund--state appropriation for
28 fiscal year 2005 are provided solely for implementation of the Puget
29 Sound work plan and agency action item WSDA-01.

30 (2) Fees and assessments approved by the department in the 2003-05
31 biennium are authorized to exceed the fiscal growth factor under RCW
32 43.135.055.

33 (3) \$165,000 of the water quality permit account--state
34 appropriation and \$692,000 of the water quality account--state
35 appropriation are provided solely to implement Engrossed Substitute
36 Senate Bill No. 5889 (animal feeding operations), chapter 325, Laws of
37 2003.

1 (4) \$53,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$15,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely to implement Engrossed Substitute
4 House Bill No. 1754 (chickens), chapter 397, Laws of 2003.

(End of part)

PART IV
TRANSPORTATION

Sec. 401. 2003 1st sp.s. c 25 s 401 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF LICENSING

General Fund--State Appropriation (FY 2004)	((\$4,986,000))
	<u>\$5,115,000</u>
General Fund--State Appropriation (FY 2005)	((\$4,988,000))
	<u>\$4,992,000</u>
Architects' License Account--State	
Appropriation	((\$696,000))
	<u>\$706,000</u>
Cemetery Account--State Appropriation	((\$235,000))
	<u>\$249,000</u>
Professional Engineers' Account--State	
Appropriation	((\$3,025,000))
	<u>\$2,938,000</u>
Real Estate Commission Account--State Appropriation	((\$7,111,000))
	<u>\$7,048,000</u>
Master License Account--State Appropriation	((\$9,110,000))
	<u>\$8,920,000</u>
Uniform Commercial Code Account--State	
Appropriation	((\$2,987,000))
	<u>\$2,837,000</u>
Real Estate Education Account--State	
Appropriation	((\$277,000))
	<u>\$275,000</u>
Real Estate Appraisers Commission Account--State	
Appropriation	((\$927,000))
	<u>\$946,000</u>
Geologist's Account--State	
Appropriation	((\$7,000))
	<u>\$21,000</u>
Funeral Directors and Embalmers Account--State	
Appropriation	((\$521,000))
	<u>\$532,000</u>

1	Fire Service Trust Account--State	
2	Appropriation	\$125,000
3	Fire Service Training Account--State	
4	Appropriation	\$7,374,000
5	State Toxics Control Account--State	
6	Appropriation	\$436,000
7	Violence Reduction and Drug Enforcement Account--	
8	State Appropriation	\$286,000
9	Fingerprint Identification Account--State	
10	Appropriation	((\$4,405,000))
11		<u>\$5,393,000</u>
12	TOTAL APPROPRIATION	((\$85,793,000))
13		<u>\$86,781,000</u>

14 The appropriations in this section are subject to the following
15 conditions and limitations:

16 (1) \$750,000 of the fire service training account--state
17 appropriation is provided solely for the implementation of Senate Bill
18 No. 5176 (fire fighting training). If the bill is not enacted by June
19 30, 2003, the amount provided in this subsection shall lapse.

20 (2) \$200,000 of the fire service training account--state
21 appropriation is provided solely for two FTE's in the office of state
22 fire marshal to exclusively review K-12 construction documents for fire
23 and life safety in accordance with the state building code. It is the
24 intent of this appropriation to provide these services only to those
25 districts that are located in counties without qualified review
26 capabilities.

(End of part)

PART V
EDUCATION

Sec. 501. 2003 1st sp.s. c 25 s 501 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

(1) STATE AGENCY OPERATIONS

General Fund--State Appropriation (FY 2004)	((\$11,772,000))
	<u>\$11,615,000</u>
General Fund--State Appropriation (FY 2005)	((\$11,761,000))
	<u>\$11,963,000</u>
General Fund--Federal Appropriation	((\$15,921,000))
	<u>\$26,968,000</u>
TOTAL APPROPRIATION	((\$39,454,000))
	<u>\$50,546,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(a) \$10,771,000 of the general fund--state appropriation for fiscal year 2004 and \$10,768,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the operation and expenses of the office of the superintendent of public instruction.

(b) \$428,000 of the general fund--state appropriation for fiscal year 2004 and \$428,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the operation and expenses of the state board of education, including basic education assistance activities.

(c) \$416,000 of the general fund--state appropriation for fiscal year 2004 and ((~~\$416,000~~)) \$537,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the operation and expenses of the Washington professional educator standards board. Within the amounts provided, the Washington professional educator standards board (WPESB) shall submit a report regarding specific implementation strategies to strengthen reading and mathematics initiatives by improving teacher knowledge and skill development including: (i) Teacher preparation program approval standard changes; (ii) teacher certification requirement changes and the development of new expertise credentials; (iii) state-established

1 standards to guide the approval of professional development providers
 2 and offerings related to reading and mathematics; and (iv) other
 3 related recommendations. The WPESB shall base the recommendations on
 4 determinations of the status of teacher preparation and professional
 5 development opportunities and work with appropriate parties. The WPESB
 6 shall submit the report to the governor, superintendent of public
 7 instruction, state board of education, and the education and fiscal
 8 committees of the legislature by November 1, 2004.

9 (d) (~~(\$157,000 of the general fund--state appropriation for fiscal~~
 10 ~~year 2004 and \$149,000)) \$130,000 of the general fund--state
 11 appropriation for fiscal year 2005 (~~are~~) is provided solely for the
 12 implementation of Second Engrossed Substitute Senate Bill No. 5012
 13 (charter schools). If the bill is not enacted by June 30, (~~2003~~)
 14 2004, the amount(~~s~~) provided in this subsection shall lapse.~~

15 (e) The department of social and health services, the office of the
 16 superintendent of public instruction, and the department of health
 17 should work together to identify opportunities for early intervention
 18 and prevention activities that can help prevent disease and reduce oral
 19 health issues among children. Disease prevention among infants at the
 20 age of one year and among children entering the K-12 education system
 21 provide cost-effective ways to avoid higher health spending later in
 22 life.

23 (f) \$100,000 of the general fund--state appropriation for fiscal
 24 year 2005 is provided solely for the development of kindergarten
 25 readiness guidelines, in collaboration with the governor's office.

26 (2) STATEWIDE PROGRAMS

27	General Fund--State Appropriation (FY 2004)	\$8,966,000
28	General Fund--State Appropriation (FY 2005)	((\$9,345,000))
29		<u>\$9,935,000</u>
30	<u>Health Services Account--State Appropriation</u>	<u>\$1,000,000</u>
31	General Fund--Federal Appropriation	((\$66,405,000))
32		<u>\$61,656,000</u>
33	TOTAL APPROPRIATION	((\$84,716,000))
34		<u>\$81,557,000</u>

35 The appropriations in this subsection are provided solely for the
 36 statewide programs specified in this subsection and are subject to the
 37 following conditions and limitations:

38 (a) HEALTH AND SAFETY

1 (i) A maximum of \$2,541,000 of the general fund--state
2 appropriation for fiscal year 2004 (~~and~~), a maximum of \$2,541,000 of
3 the general fund--state appropriation for fiscal year 2005, and
4 \$1,000,000 of the health services account appropriation are provided
5 for a corps of nurses located at educational service districts, as
6 determined by the superintendent of public instruction, to be
7 dispatched to the most needy schools to provide direct care to
8 students, health education, and training for school staff.

9 (ii) A maximum of \$96,000 of the general fund--state appropriation
10 for fiscal year 2004 and a maximum of \$96,000 of the general fund--
11 state appropriation for fiscal year 2005 are provided for the school
12 safety center in the office of the superintendent of public instruction
13 subject to the following conditions and limitations:

14 (A) The safety center shall: Disseminate successful models of
15 school safety plans and cooperative efforts; provide assistance to
16 schools to establish a comprehensive safe school plan; select models of
17 cooperative efforts that have been proven successful; act as an
18 information dissemination and resource center when an incident occurs
19 in a school district either in Washington or in another state;
20 coordinate activities relating to school safety; review and approve
21 manuals and curricula used for school safety models and training; and
22 develop and maintain a school safety information web site.

23 (B) The superintendent of public instruction shall participate in
24 a school safety center advisory committee that includes representatives
25 of educators, classified staff, principals, superintendents,
26 administrators, the American society for industrial security, the state
27 criminal justice training commission, and others deemed appropriate and
28 approved by the school safety center advisory committee. Members of
29 the committee shall be chosen by the groups they represent. In
30 addition, the Washington association of sheriffs and police chiefs
31 shall appoint representatives of law enforcement to participate on the
32 school safety center advisory committee. The advisory committee shall
33 select a chair.

34 (C) The school safety center advisory committee shall develop a
35 training program, using the best practices in school safety, for all
36 school safety personnel.

37 (iii) A maximum of \$100,000 of the general fund--state
38 appropriation for fiscal year 2004 and a maximum of \$100,000 of the

1 general fund--state appropriation for fiscal year 2005 are provided for
2 a school safety training program provided by the criminal justice
3 training commission subject to the following conditions and
4 limitations:

5 (A) The criminal justice training commission with assistance of the
6 school safety center advisory committee established in section
7 2(b)(iii) of this section shall develop manuals and curricula for a
8 training program for all school safety personnel.

9 (B) The Washington state criminal justice training commission, in
10 collaboration with the advisory committee, shall provide the school
11 safety training for all school administrators and school safety
12 personnel, including school safety personnel hired after the effective
13 date of this section.

14 (~~(v)~~) (iv) (~~(\$13,663,000)~~) \$12,917,000 of the general fund--
15 federal appropriation is provided for safe and drug free schools and
16 communities grants for drug and violence prevention activities and
17 strategies.

18 (~~(vi)~~) (v) A maximum of \$146,000 of the general fund--state
19 appropriation for fiscal year 2004 and a maximum of \$146,000 of the
20 general fund--state appropriation for fiscal year 2005 are provided for
21 a nonviolence and leadership training program provided by the institute
22 for community leadership. The program shall provide the following:

23 (A) Statewide nonviolence leadership coaches training program for
24 certification of educational employees and community members in
25 nonviolence leadership workshops;

26 (B) Statewide leadership nonviolence student exchanges, training,
27 and speaking opportunities for student workshop participants; and

28 (C) A request for proposal process, with up to 80 percent funding,
29 for nonviolence leadership workshops serving at least 12 school
30 districts with direct programming in 36 elementary, middle, and high
31 schools throughout Washington state.

32 (b) TECHNOLOGY

33 A maximum of \$1,939,000 of the general fund--state appropriation
34 for fiscal year 2004 and a maximum of \$1,939,000 of the general fund--
35 state appropriation for fiscal year 2005 are provided for K-20
36 telecommunications network technical support in the K-12 sector to
37 prevent system failures and avoid interruptions in school utilization

1 of the data processing and video-conferencing capabilities of the
2 network. These funds may be used to purchase engineering and advanced
3 technical support for the network.

4 (c) GRANTS AND ALLOCATIONS

5 (i) \$306,000 of the fiscal year 2004 appropriation and \$689,000 of
6 the fiscal year 2005 appropriation are provided solely for the special
7 services pilot projects provided by Second Substitute House Bill No.
8 2012 (special services pilot program). The office of the
9 superintendent of public instruction shall allocate these funds to the
10 district or districts participating in the pilot program according to
11 the provisions of section 2 subsection (4) of Second Substitute House
12 Bill No. 2012, chapter 33, Laws of 2003.

13 (ii) A maximum of \$761,000 of the general fund--state appropriation
14 for fiscal year 2004 and a maximum of (~~(\$757,000)~~) \$1,097,000 of the
15 general fund--state appropriation for fiscal year 2005 are provided for
16 alternative certification routes. Funds may be used by the
17 professional educator standards board to continue existing alternative-
18 route grant programs and to create new alternative-route programs in
19 regions of the state with service shortages.

20 (iii) A maximum of \$31,000 of the general fund--state appropriation
21 for fiscal year 2004 and a maximum of \$31,000 of the general fund--
22 state appropriation for fiscal year 2005 are provided for operation of
23 the Cispus environmental learning center.

24 (iv) A maximum of \$1,224,000 of the general fund--state
25 appropriation for fiscal year 2004 and a maximum of \$1,224,000 of the
26 general fund--state appropriation for fiscal year 2005 are provided for
27 in-service training and educational programs conducted by the Pacific
28 Science Center.

29 (v) A maximum of \$1,079,000 of the general fund--state
30 appropriation for fiscal year 2004 and a maximum of \$1,079,000 of the
31 general fund--state appropriation for fiscal year 2005 are provided for
32 the Washington state leadership assistance for science education reform
33 (LASER) regional partnership coordinated at the Pacific Science Center.

34 (vi) A maximum of \$97,000 of the general fund--state appropriation
35 for fiscal year 2004 and a maximum of \$97,000 of the general fund--
36 state appropriation for fiscal year 2005 are provided to support
37 vocational student leadership organizations.

1 (vii) A maximum of \$146,000 of the general fund--state
2 appropriation for fiscal year 2004 and a maximum of \$146,000 of the
3 general fund--state appropriation for fiscal year 2005 are provided for
4 the Washington civil liberties education program.

5 (viii) \$500,000 of the general fund--state appropriation for fiscal
6 year 2004 and (~~(\$500,000)~~) \$750,000 of the general fund--state
7 appropriation for fiscal year 2005 are provided solely for the
8 Washington state achievers scholarship program. The funds shall be
9 used to support community involvement officers that recruit, train, and
10 match community volunteer mentors with students selected as achievers
11 scholars.

12 (ix) (~~(\$1,433,000)~~) \$1,650,000 of the general fund--federal
13 appropriation is provided for the advanced placement fee program to
14 increase opportunities for low-income students and under-represented
15 populations to participate in advanced placement courses and to
16 increase the capacity of schools to provide advanced placement courses
17 to students.

18 (x) (~~(\$9,510,000)~~) \$9,953,000 of the general fund--federal
19 appropriation is provided for comprehensive school reform demonstration
20 projects to provide grants to low-income schools for improving student
21 achievement through adoption and implementation of research-based
22 curricula and instructional programs.

23 (xi) (~~(\$12,977,000)~~) \$12,941,000 of the general fund--federal
24 appropriation is provided for 21st century learning center grants,
25 providing after-school and inter-session activities for students.

26 **Sec. 502.** 2003 1st sp.s. c 25 s 502 (uncodified) is amended to
27 read as follows:

28 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR GENERAL**
29 **APPORTIONMENT**

30	General Fund--State Appropriation (FY 2004)	((\$3,969,407,000))
31		<u>\$3,973,334,000</u>
32	General Fund--State Appropriation (FY 2005)	((\$3,977,209,000))
33		<u>\$3,990,739,000</u>
34	TOTAL APPROPRIATION	((\$7,946,616,000))
35		<u>\$7,964,073,000</u>

36 The appropriations in this section are subject to the following
37 conditions and limitations:

1 (1) Each general fund fiscal year appropriation includes such funds
2 as are necessary to complete the school year ending in the fiscal year
3 and for prior fiscal year adjustments.

4 (2) Allocations for certificated staff salaries for the 2003-04 and
5 2004-05 school years shall be determined using formula-generated staff
6 units calculated pursuant to this subsection. Staff allocations for
7 small school enrollments in (d) through (f) of this subsection shall be
8 reduced for vocational full-time equivalent enrollments. Staff
9 allocations for small school enrollments in grades K-6 shall be the
10 greater of that generated under (a) of this subsection, or under (d)
11 and (e) of this subsection. Certificated staffing allocations shall be
12 as follows:

13 (a) On the basis of each 1,000 average annual full-time equivalent
14 enrollments, excluding full-time equivalent enrollment otherwise
15 recognized for certificated staff unit allocations under (c) through
16 (f) of this subsection:

17 (i) Four certificated administrative staff units per thousand full-
18 time equivalent students in grades K-12;

19 (ii) 49 certificated instructional staff units per thousand full-
20 time equivalent students in grades K-3;

21 (iii) Forty-six certificated instructional staff units per thousand
22 full-time equivalent students in grades 4-12; and

23 (iv) An additional 4.2 certificated instructional staff units for
24 grades K-3 and an additional 7.2 certificated instructional staff units
25 for grade 4. Any funds allocated for the additional certificated units
26 provided in this subsection (iv) shall not be considered as basic
27 education funding;

28 (v) For class size reduction and expanded learning opportunities
29 under the better schools program, an additional 0.8 certificated
30 instructional staff units for the 2003-04 school year for grades K-4
31 per thousand full-time equivalent students. Funds allocated for these
32 additional certificated units shall not be considered as basic
33 education funding. The allocation may be used for reducing class sizes
34 in grades K-4 or to provide additional classroom contact hours for
35 kindergarten, before-and-after-school programs, weekend school
36 programs, summer school programs, and intercession opportunities to
37 assist elementary school students in meeting the essential academic
38 learning requirements and student assessment performance standards.

1 For purposes of this subsection, additional classroom contact hours
2 provided by teachers beyond the normal school day under a supplemental
3 contract shall be converted to a certificated full-time equivalent by
4 dividing the classroom contact hours by 900.

5 (A) Funds provided under this subsection (2)(a)(iv) and (v) in
6 excess of the amount required to maintain the statutory minimum ratio
7 established under RCW 28A.150.260(2)(b) shall be allocated only if the
8 district documents an actual ratio in grades K-4 equal to or greater
9 than 54.0 certificated instructional staff per thousand full-time
10 equivalent students in the 2003-04 school year and 53.2 certificated
11 instructional staff per thousand full-time equivalent students in the
12 2004-05 school year. For any school district documenting a lower
13 certificated instructional staff ratio, the allocation shall be based
14 on the district's actual grades K-4 certificated instructional staff
15 ratio achieved in that school year, or the statutory minimum ratio
16 established under RCW 28A.150.260(2)(b), if greater;

17 (B) Districts at or above 51.0 certificated instructional staff per
18 one thousand full-time equivalent students in grades K-4 may dedicate
19 up to 1.3 of the 54.0 funding ratio in the 2003-04 school year, and up
20 to 1.3 of the 53.2 funding ratio in the 2004-05 school year, to employ
21 additional classified instructional assistants assigned to basic
22 education classrooms in grades K-4. For purposes of documenting a
23 district's staff ratio under this section, funds used by the district
24 to employ additional classified instructional assistants shall be
25 converted to a certificated staff equivalent and added to the
26 district's actual certificated instructional staff ratio. Additional
27 classified instructional assistants, for the purposes of this
28 subsection, shall be determined using the 1989-90 school year as the
29 base year;

30 (C) Any district maintaining a ratio in grades K-4 equal to or
31 greater than 54.0 certificated instructional staff per thousand full-
32 time equivalent students in the 2003-04 school year and 53.2
33 certificated instructional staff per thousand full-time equivalent
34 students in the 2004-05 school year may use allocations generated under
35 this subsection (2)(a)(iv) and (v) in excess of that required to
36 maintain the minimum ratio established under RCW 28A.150.260(2)(b) to
37 employ additional basic education certificated instructional staff or
38 classified instructional assistants in grades 5-6. Funds allocated

1 under this subsection (2)(a)(iv) and (v) shall only be expended to
2 reduce class size in grades K-6. No more than 1.3 of the certificated
3 instructional funding ratio amount may be expended for provision of
4 classified instructional assistants;

5 (b) For school districts with a minimum enrollment of 250 full-time
6 equivalent students whose full-time equivalent student enrollment count
7 in a given month exceeds the first of the month full-time equivalent
8 enrollment count by 5 percent, an additional state allocation of 110
9 percent of the share that such increased enrollment would have
10 generated had such additional full-time equivalent students been
11 included in the normal enrollment count for that particular month;

12 (c)(i) On the basis of full-time equivalent enrollment in:

13 (A) Vocational education programs approved by the superintendent of
14 public instruction, a maximum of 0.92 certificated instructional staff
15 units and 0.08 certificated administrative staff units for each 19.5
16 full-time equivalent vocational students; and

17 (B) Skills center programs meeting the standards for skills center
18 funding established in January 1999 by the superintendent of public
19 instruction, 0.92 certificated instructional staff units and 0.08
20 certificated administrative units for each 16.67 full-time equivalent
21 vocational students;

22 (ii) Vocational full-time equivalent enrollment shall be reported
23 on the same monthly basis as the enrollment for students eligible for
24 basic support, and payments shall be adjusted for reported vocational
25 enrollments on the same monthly basis as those adjustments for
26 enrollment for students eligible for basic support; and

27 (iii) Indirect cost charges by a school district to vocational-
28 secondary programs shall not exceed 15 percent of the combined basic
29 education and vocational enhancement allocations of state funds;

30 (d) For districts enrolling not more than twenty-five average
31 annual full-time equivalent students in grades K-8, and for small
32 school plants within any school district which have been judged to be
33 remote and necessary by the state board of education and enroll not
34 more than twenty-five average annual full-time equivalent students in
35 grades K-8:

36 (i) For those enrolling no students in grades 7 and 8, 1.76
37 certificated instructional staff units and 0.24 certificated

1 administrative staff units for enrollment of not more than five
2 students, plus one-twentieth of a certificated instructional staff unit
3 for each additional student enrolled; and

4 (ii) For those enrolling students in grades 7 or 8, 1.68
5 certificated instructional staff units and 0.32 certificated
6 administrative staff units for enrollment of not more than five
7 students, plus one-tenth of a certificated instructional staff unit for
8 each additional student enrolled;

9 (e) For specified enrollments in districts enrolling more than
10 twenty-five but not more than one hundred average annual full-time
11 equivalent students in grades K-8, and for small school plants within
12 any school district which enroll more than twenty-five average annual
13 full-time equivalent students in grades K-8 and have been judged to be
14 remote and necessary by the state board of education:

15 (i) For enrollment of up to sixty annual average full-time
16 equivalent students in grades K-6, 2.76 certificated instructional
17 staff units and 0.24 certificated administrative staff units; and

18 (ii) For enrollment of up to twenty annual average full-time
19 equivalent students in grades 7 and 8, 0.92 certificated instructional
20 staff units and 0.08 certificated administrative staff units;

21 (f) For districts operating no more than two high schools with
22 enrollments of less than three hundred average annual full-time
23 equivalent students, for enrollment in grades 9-12 in each such school,
24 other than alternative schools:

25 (i) For remote and necessary schools enrolling students in any
26 grades 9-12 but no more than twenty-five average annual full-time
27 equivalent students in grades K-12, four and one-half certificated
28 instructional staff units and one-quarter of a certificated
29 administrative staff unit;

30 (ii) For all other small high schools under this subsection, nine
31 certificated instructional staff units and one-half of a certificated
32 administrative staff unit for the first sixty average annual full time
33 equivalent students, and additional staff units based on a ratio of
34 0.8732 certificated instructional staff units and 0.1268 certificated
35 administrative staff units per each additional forty-three and one-half
36 average annual full time equivalent students.

37 Units calculated under (f)(ii) of this subsection shall be reduced

1 by certificated staff units at the rate of forty-six certificated
2 instructional staff units and four certificated administrative staff
3 units per thousand vocational full-time equivalent students;

4 (g) For each nonhigh school district having an enrollment of more
5 than seventy annual average full-time equivalent students and less than
6 one hundred eighty students, operating a grades K-8 program or a grades
7 1-8 program, an additional one-half of a certificated instructional
8 staff unit; and

9 (h) For each nonhigh school district having an enrollment of more
10 than fifty annual average full-time equivalent students and less than
11 one hundred eighty students, operating a grades K-6 program or a grades
12 1-6 program, an additional one-half of a certificated instructional
13 staff unit.

14 (3) Allocations for classified salaries for the 2003-04 and 2004-05
15 school years shall be calculated using formula-generated classified
16 staff units determined as follows:

17 (a) For enrollments generating certificated staff unit allocations
18 under subsection (2)(d) through (h) of this section, one classified
19 staff unit for each three certificated staff units allocated under such
20 subsections;

21 (b) For all other enrollment in grades K-12, including vocational
22 full-time equivalent enrollments, one classified staff unit for each
23 sixty average annual full-time equivalent students; and

24 (c) For each nonhigh school district with an enrollment of more
25 than fifty annual average full-time equivalent students and less than
26 one hundred eighty students, an additional one-half of a classified
27 staff unit.

28 (4) Fringe benefit allocations shall be calculated at a rate of
29 9.68 percent in the 2003-04 school year and 9.68 percent in the 2004-05
30 school year for certificated salary allocations provided under
31 subsection (2) of this section, and a rate of 12.25 percent in the
32 2003-04 school year and 12.25 percent in the 2004-05 school year for
33 classified salary allocations provided under subsection (3) of this
34 section.

35 (5) Insurance benefit allocations shall be calculated at the
36 maintenance rate specified in section 504(2) of this act, based on the
37 number of benefit units determined as follows:

1 (a) The number of certificated staff units determined in subsection
2 (2) of this section; and

3 (b) The number of classified staff units determined in subsection
4 (3) of this section multiplied by 1.152. This factor is intended to
5 adjust allocations so that, for the purposes of distributing insurance
6 benefits, full-time equivalent classified employees may be calculated
7 on the basis of 1440 hours of work per year, with no individual
8 employee counted as more than one full-time equivalent.

9 (6)(a) For nonemployee-related costs associated with each
10 certificated staff unit allocated under subsection (2)(a), (b), and (d)
11 through (h) of this section, there shall be provided a maximum of
12 \$8,785 per certificated staff unit in the 2003-04 school year and a
13 maximum of (~~(\$8,952)~~) \$8,908 per certificated staff unit in the 2004-05
14 school year.

15 (b) For nonemployee-related costs associated with each vocational
16 certificated staff unit allocated under subsection (2)(c)(i)(A) of this
17 section, there shall be provided a maximum of \$21,573 per certificated
18 staff unit in the 2003-04 school year and a maximum of (~~(\$21,983)~~)
19 \$21,875 per certificated staff unit in the 2004-05 school year.

20 (c) For nonemployee-related costs associated with each vocational
21 certificated staff unit allocated under subsection (2)(c)(i)(B) of this
22 section, there shall be provided a maximum of \$16,739 per certificated
23 staff unit in the 2003-04 school year and a maximum of (~~(\$17,057)~~)
24 \$16,973 per certificated staff unit in the 2004-05 school year.

25 (7) Allocations for substitute costs for classroom teachers shall
26 be distributed at a maintenance rate of \$531.09 for the 2003-04 and
27 2004-05 school years per allocated classroom teachers exclusive of
28 salary increase amounts provided in section 504 of this act. Solely
29 for the purposes of this subsection, allocated classroom teachers shall
30 be equal to the number of certificated instructional staff units
31 allocated under subsection (2) of this section, multiplied by the ratio
32 between the number of actual basic education certificated teachers and
33 the number of actual basic education certificated instructional staff
34 reported statewide for the prior school year.

35 (8) Any school district board of directors may petition the
36 superintendent of public instruction by submission of a resolution
37 adopted in a public meeting to reduce or delay any portion of its basic
38 education allocation for any school year. The superintendent of public

1 instruction shall approve such reduction or delay if it does not impair
2 the district's financial condition. Any delay shall not be for more
3 than two school years. Any reduction or delay shall have no impact on
4 levy authority pursuant to RCW 84.52.0531 and local effort assistance
5 pursuant to chapter 28A.500 RCW.

6 (9) The superintendent may distribute a maximum of (~~(\$6,392,000)~~)
7 \$6,389,000 outside the basic education formula during fiscal years 2004
8 and 2005 as follows:

9 (a) For fire protection for school districts located in a fire
10 protection district as now or hereafter established pursuant to chapter
11 52.04 RCW, a maximum of \$495,000 may be expended in fiscal year 2004
12 and a maximum of (~~(\$504,000)~~) \$502,000 may be expended in fiscal year
13 2005;

14 (b) For summer vocational programs at skills centers, a maximum of
15 \$2,035,000 may be expended for the 2004 fiscal year and a maximum of
16 \$2,035,000 for the 2005 fiscal year;

17 (c) A maximum of (~~(\$353,000)~~) \$352,000 may be expended for school
18 district emergencies; and

19 (d) A maximum of \$485,000 each fiscal year may be expended for
20 programs providing skills training for secondary students who are
21 enrolled in extended day school-to-work programs, as approved by the
22 superintendent of public instruction. The funds shall be allocated at
23 a rate not to exceed \$500 per full-time equivalent student enrolled in
24 those programs.

25 (10) For purposes of RCW 84.52.0531, the increase per full-time
26 equivalent student is 3.4 percent from the 2002-03 school year to the
27 2003-04 school year and 2.5 percent from the 2003-04 school year to the
28 2004-05 school year.

29 (11) If two or more school districts consolidate and each district
30 was receiving additional basic education formula staff units pursuant
31 to subsection (2)(b) through (h) of this section, the following shall
32 apply:

33 (a) For three school years following consolidation, the number of
34 basic education formula staff units shall not be less than the number
35 of basic education formula staff units received by the districts in the
36 school year prior to the consolidation; and

37 (b) For the fourth through eighth school years following
38 consolidation, the difference between the basic education formula staff

1 units received by the districts for the school year prior to
2 consolidation and the basic education formula staff units after
3 consolidation pursuant to subsection (2)(a) through (h) of this section
4 shall be reduced in increments of twenty percent per year.

5 (12) (~~(\$159,000)~~) \$401,000 of the general fund--state appropriation
6 for fiscal year (~~(2004 and \$1,181,000 of the general fund state~~
7 ~~appropriation for fiscal year 2005 are)~~) 2005 is provided solely for
8 the implementation of Second Engrossed Substitute Senate Bill No. 5012
9 (charter schools). If the bill is not enacted by June 30, (~~(2003)~~)
10 2004, the amount(~~(s)~~) provided in this subsection shall lapse.

11 **Sec. 503.** 2003 1st sp.s. c 25 s 504 (uncodified) is amended to
12 read as follows:

13 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL EMPLOYEE**
14 **COMPENSATION ADJUSTMENTS**

15	General Fund--State Appropriation (FY 2004)	((\$28,511,000))
16		<u>\$28,577,000</u>
17	General Fund--State Appropriation (FY 2005)	((\$116,670,000))
18		<u>\$117,593,000</u>
19	General Fund--Federal Appropriation	((\$559,000))
20		<u>\$556,000</u>
21	TOTAL APPROPRIATION	((\$145,740,000))
22		<u>\$146,726,000</u>

23 The appropriations in this section are subject to the following
24 conditions and limitations:

25 (1) (~~(\$8,913,000)~~) \$8,928,000 of the general fund--state
26 appropriation for fiscal year 2004 and (~~(\$20,238,000)~~) \$20,353,000 of
27 the general fund--state appropriation for fiscal year 2005 are provided
28 solely to provide a salary adjustment for state formula certificated
29 instructional staff units in their first seven years of service.
30 Consistent with the statewide certificated instructional staff salary
31 allocation schedule in section 503 of this act, sufficient funding is
32 provided to increase the salary of certificated instructional staff
33 units in the 2003-04 school year and the 2004-05 school year by the
34 following percentages: Three percent for certificated instructional
35 staff in their first and second years of service; two and one-half
36 percent for certificated instructional staff in their third year of
37 service; one and one-half percent for certificated instructional staff

1 in their fourth year of service; one percent for certificated
2 instructional staff in their fifth year of service; and one-half of a
3 percent for certificated instructional staff in their sixth and seventh
4 years of service. These increases will take effect September 1, 2003
5 and September 1, 2004.

6 (a) In order to receive funding provided in this subsection, school
7 districts shall certify to the office of superintendent of public
8 instruction that they will provide the percentage increases in the
9 amounts specified in this subsection. In cases where a school district
10 providing the increases in the amounts specified in this subsection
11 would cause that school district to be out of compliance with RCW
12 28A.400.200, they may provide salary increases in different amounts but
13 only to the extent necessary to come into compliance with RCW
14 28A.400.200. Funds provided in this subsection shall be used
15 exclusively for providing the percentage increases specified in this
16 subsection to the certificated staff units in their first seven years
17 of service and shall not be used to supplant any other state or local
18 funding for compensation for these staff.

19 (b) The appropriations include associated incremental fringe
20 benefit allocations at rates of 9.04 percent for school year 2003-04
21 and 9.04 percent for school year 2004-05 for certificated staff.
22 Increases for general apportionment (basic education) are based on the
23 salary allocation schedules and methodology in sections 502 and 503 of
24 this act. Increases for special education result from increases in
25 each district's basic education allocation per student. Increases for
26 educational service districts and institutional education programs are
27 determined by the superintendent of public instruction using the
28 methodology for general apportionment salaries and benefits in sections
29 502 and 503 of this act.

30 (2) The appropriations in this section provide salary adjustments
31 and incremental fringe benefit allocations based on formula adjustments
32 as follows:

	School Year	
	2003-04	2004-05
33		
34		
35	Highly Capable (per formula student)	\$0.93 \$1.89
36	Transitional Bilingual Education (per eligible bilingual student)	\$2.45 \$4.97

1 Learning Assistance (per entitlement unit) \$0.69 \$1.40

2 (3) (~~(\$116,483,000)~~) \$117,340,000 is provided for adjustments to
3 insurance benefit allocations. The maintenance rate for insurance
4 benefit allocations is \$457.07 per month for the 2003-04 and 2004-05
5 school years. The appropriations in this section provide for a rate
6 increase to \$481.31 per month for the 2003-04 school year and \$570.74
7 per month for the 2004-05 school year at the following rates:

	School Year	
	2003-04	2004-05
8 Pupil Transportation (per weighted pupil mile)	\$0.22	\$1.03
9 Highly Capable (per formula student)	\$1.52	\$7.00
10 Transitional Bilingual Education (per eligible bilingual student)	\$3.92	\$18.40
11 Learning Assistance (per entitlement unit)	\$3.08	\$14.46

12 (4) The rates specified in this section are subject to revision
13 each year by the legislature.

14 **Sec. 504.** 2003 1st sp.s. c 25 s 505 (uncodified) is amended to
15 read as follows:

16 FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PUPIL TRANSPORTATION	
17 General Fund--State Appropriation (FY 2004)	((\$201,638,000))
18	<u>\$215,226,000</u>
19 General Fund--State Appropriation (FY 2005)	((\$210,279,000))
20	<u>\$219,984,000</u>
21 TOTAL APPROPRIATION	((\$411,917,000))
22	<u>\$435,210,000</u>

23 The appropriations in this section are subject to the following
24 conditions and limitations:

25 (1) Each general fund fiscal year appropriation includes such funds
26 as are necessary to complete the school year ending in the fiscal year
27 and for prior fiscal year adjustments.

28 (2) A maximum of \$768,000 of this fiscal year 2004 appropriation
29 and a maximum of (~~(\$782,000)~~) \$779,000 of the fiscal year 2005
30 appropriation may be expended for regional transportation coordinators
31 and related activities. The transportation coordinators shall ensure
32
33

1 that data submitted by school districts for state transportation
2 funding shall, to the greatest extent practical, reflect the actual
3 transportation activity of each district.

4 (3) \$5,000 of the fiscal year 2004 appropriation and \$5,000 of the
5 fiscal year 2005 appropriation are provided solely for the
6 transportation of students enrolled in "choice" programs.
7 Transportation shall be limited to low-income students who are
8 transferring to "choice" programs solely for educational reasons.

9 (4) Allocations for transportation of students shall be based on
10 reimbursement rates of \$39.21 per weighted mile in the 2003-04 school
11 year and (~~(\$39.43)~~) \$39.37 per weighted mile in the 2004-05 school year
12 exclusive of salary and benefit adjustments provided in section 504 of
13 this act. Allocations for transportation of students transported more
14 than one radius mile shall be based on weighted miles as determined by
15 superintendent of public instruction multiplied by the per mile
16 reimbursement rates for the school year pursuant to the formulas
17 adopted by the superintendent of public instruction. Allocations for
18 transportation of students living within one radius mile shall be based
19 on the number of enrolled students in grades kindergarten through five
20 living within one radius mile of their assigned school multiplied by
21 the per mile reimbursement rate for the school year multiplied by 1.29.

22 (5) Beginning with busses purchased on or after July 1, 2003, the
23 office of superintendent of public instruction shall provide
24 reimbursement funding to a school district only after the
25 superintendent of public instruction determines that the school bus was
26 purchased from the list established pursuant to RCW 28A.160.195(2) or
27 a comparable competitive bid process based on the lowest price quote
28 based on similar bus categories to those used to establish the list
29 pursuant to RCW 28A.160.195. The competitive specifications shall meet
30 federal motor vehicle safety standards, minimum state specifications as
31 established by rule by the superintendent, and supported options as
32 determined by the superintendent in consultation with the regional
33 transportation coordinators of the educational service districts.

34 **Sec. 505.** 2003 1st sp.s. c 25 s 506 (uncodified) is amended to
35 read as follows:

36 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL FOOD SERVICE**

1 **PROGRAMS**

2	General Fund--State Appropriation (FY 2004)	\$3,100,000
3	General Fund--State Appropriation (FY 2005)	\$3,100,000
4	General Fund--Federal Appropriation	((\$272,069,000))
5		<u>\$252,128,000</u>
6	TOTAL APPROPRIATION	((\$278,269,000))
7		<u>\$258,328,000</u>

8 The appropriations in this section are subject to the following
9 conditions and limitations:

10 (1) \$3,000,000 of the general fund--state appropriation for fiscal
11 year 2004 and \$3,000,000 of the general fund--state appropriation for
12 fiscal year 2005 are provided for state matching money for federal
13 child nutrition programs.

14 (2) \$100,000 of the general fund--state appropriation for fiscal
15 year 2004 and \$100,000 of the 2005 fiscal year appropriation are
16 provided for summer food programs for children in low-income areas.

17 **Sec. 506.** 2003 1st sp.s. c 25 s 507 (uncodified) is amended to
18 read as follows:

19 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SPECIAL EDUCATION**
20 **PROGRAMS**

21	General Fund--State Appropriation (FY 2004)	((\$433,984,000))
22		<u>\$433,945,000</u>
23	General Fund--State Appropriation (FY 2005)	((\$427,214,000))
24		<u>\$428,434,000</u>
25	General Fund--Federal Appropriation	((\$409,637,000))
26		<u>\$424,947,000</u>
27	TOTAL APPROPRIATION	((\$1,270,835,000))
28		<u>\$1,287,326,000</u>

29 The appropriations in this section are subject to the following
30 conditions and limitations:

31 (1) Funding for special education programs is provided on an excess
32 cost basis, pursuant to RCW 28A.150.390. School districts shall ensure
33 that special education students as a class receive their full share of
34 the general apportionment allocation accruing through sections 502 and
35 504 of this act. To the extent a school district cannot provide an
36 appropriate education for special education students under chapter

1 28A.155 RCW through the general apportionment allocation, it shall
2 provide services through the special education excess cost allocation
3 funded in this section.

4 (2)(a) The superintendent of public instruction shall use the
5 excess cost methodology developed and implemented for the 2001-02
6 school year using the S-275 personnel reporting system and all related
7 accounting requirements to ensure that:

8 (i) Special education students are basic education students first;

9 (ii) As a class, special education students are entitled to the
10 full basic education allocation; and

11 (iii) Special education students are basic education students for
12 the entire school day.

13 (b) The S-275 and accounting changes in effect since the 2001-02
14 school year shall supercede any prior excess cost methodologies and
15 shall be required of all school districts.

16 (3) Each fiscal year appropriation includes such funds as are
17 necessary to complete the school year ending in the fiscal year and for
18 prior fiscal year adjustments.

19 (4) The superintendent of public instruction shall distribute state
20 and federal funds to school districts based on two categories: The
21 optional birth through age two program for special education eligible
22 developmentally delayed infants and toddlers, and the mandatory special
23 education program for special education eligible students ages three to
24 twenty-one. A "special education eligible student" means a student
25 receiving specially designed instruction in accordance with a properly
26 formulated individualized education program.

27 (5)(a) For the 2003-04 and 2004-05 school years, the superintendent
28 shall make allocations to each district based on the sum of:

29 (i) A district's annual average headcount enrollment of
30 developmentally delayed infants and toddlers ages birth through two,
31 multiplied by the district's average basic education allocation per
32 full-time equivalent student, multiplied by 1.15; and

33 (ii) A district's annual average full-time equivalent basic
34 education enrollment multiplied by the funded enrollment percent
35 determined pursuant to subsection (6)(b) of this section, multiplied by
36 the district's average basic education allocation per full-time
37 equivalent student multiplied by 0.9309.

1 (b) For purposes of this subsection, "average basic education
2 allocation per full-time equivalent student" for a district shall be
3 based on the staffing ratios required by RCW 28A.150.260 and shall not
4 include enhancements, secondary vocational education, or small schools.

5 (6) The definitions in this subsection apply throughout this
6 section.

7 (a) "Annual average full-time equivalent basic education
8 enrollment" means the resident enrollment including students enrolled
9 through choice (RCW 28A.225.225) and students from nonhigh districts
10 (RCW 28A.225.210) and excluding students residing in another district
11 enrolled as part of an interdistrict cooperative program (RCW
12 28A.225.250).

13 (b) "Enrollment percent" means the district's resident special
14 education annual average enrollment, excluding the birth through age
15 two enrollment, as a percent of the district's annual average full-time
16 equivalent basic education enrollment.

17 Each district's general fund--state funded special education
18 enrollment shall be the lesser of the district's actual enrollment
19 percent or 12.7 percent. Increases in enrollment percent from 12.7
20 percent to 13.0 percent shall be funded from the general fund--federal
21 appropriation.

22 (7) At the request of any interdistrict cooperative of at least 15
23 districts in which all excess cost services for special education
24 students of the districts are provided by the cooperative, the maximum
25 enrollment percent shall be calculated in accordance with subsection
26 (6)(b) of this section, and shall be calculated in the aggregate rather
27 than individual district units. For purposes of this subsection, the
28 average basic education allocation per full-time equivalent student
29 shall be calculated in the aggregate rather than individual district
30 units.

31 (8) To the extent necessary, \$25,746,000 of the general fund--
32 federal appropriation is provided for safety net awards for districts
33 with demonstrated needs for state special education funding beyond the
34 amounts provided in subsection (5) of this section. If safety net
35 awards exceed the amount appropriated in this subsection (8), the
36 superintendent shall expend all available federal discretionary funds
37 necessary to meet this need. Safety net funds shall be awarded by the

1 state safety net oversight committee subject to the following
2 conditions and limitations:

3 (a) The committee shall consider unmet needs for districts that can
4 convincingly demonstrate that all legitimate expenditures for special
5 education exceed all available revenues from state funding formulas.
6 In the determination of need, the committee shall also consider
7 additional available revenues from federal and local sources.
8 Differences in program costs attributable to district philosophy,
9 service delivery choice, or accounting practices are not a legitimate
10 basis for safety net awards.

11 (b) The committee shall then consider the extraordinary high cost
12 needs of one or more individual special education students.
13 Differences in costs attributable to district philosophy, service
14 delivery choice, or accounting practices are not a legitimate basis for
15 safety net awards.

16 (c) The maximum allowable indirect cost for calculating safety net
17 eligibility may not exceed the federal restricted indirect cost rate
18 for the district plus one percent.

19 (d) Safety net awards shall be adjusted based on the percent of
20 potential medicaid eligible students billed as calculated by the
21 superintendent in accordance with chapter 318, Laws of 1999.

22 (e) Safety net awards must be adjusted for any audit findings or
23 exceptions related to special education funding.

24 (9) The superintendent of public instruction may adopt such rules
25 and procedures as are necessary to administer the special education
26 funding and safety net award process. Prior to revising any standards,
27 procedures, or rules, the superintendent shall consult with the office
28 of financial management and the fiscal committees of the legislature.

29 (10) The safety net oversight committee appointed by the
30 superintendent of public instruction shall consist of:

31 (a) One staff from the office of superintendent of public
32 instruction;

33 (b) Staff of the office of the state auditor; and

34 (c) One or more representatives from school districts or
35 educational service districts knowledgeable of special education
36 programs and funding.

37 (11) A maximum of \$678,000 may be expended from the general fund--
38 state appropriations to fund 5.43 full-time equivalent teachers and 2.1

1 full-time equivalent aides at children's orthopedic hospital and
2 medical center. This amount is in lieu of money provided through the
3 home and hospital allocation and the special education program.

4 (12) \$1,000,000 of the general fund--federal appropriation is
5 provided for projects to provide special education students with
6 appropriate job and independent living skills, including work
7 experience where possible, to facilitate their successful transition
8 out of the public school system. The funds provided by this subsection
9 shall be from federal discretionary grants.

10 (13) The superintendent shall maintain the percentage of federal
11 flow-through to school districts at 85 percent. In addition to other
12 purposes, school districts may use increased federal funds for high-
13 cost students, for purchasing regional special education services from
14 educational service districts, and for staff development activities
15 particularly relating to inclusion issues.

16 (14) A maximum of \$1,200,000 of the general fund--federal
17 appropriation may be expended by the superintendent for projects
18 related to use of inclusion strategies by school districts for
19 provision of special education services. The superintendent shall
20 prepare an information database on laws, best practices, examples of
21 programs, and recommended resources. The information may be
22 disseminated in a variety of ways, including workshops and other staff
23 development activities.

24 (15) A school district may carry over from one year to the next
25 year up to 10 percent of general fund--state funds allocated under this
26 program; however, carry over funds shall be expended in the special
27 education program.

28 **Sec. 507.** 2003 1st sp.s. c 25 s 509 (uncodified) is amended to
29 read as follows:

30 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR LOCAL EFFORT**
31 **ASSISTANCE**

32	General Fund--State Appropriation (FY 2004)	((\$162,236,000))
33		<u>\$163,049,000</u>
34	General Fund--State Appropriation (FY 2005)	((\$167,073,000))
35		<u>\$169,541,000</u>
36	TOTAL APPROPRIATION	((\$329,309,000))
37		<u>\$332,590,000</u>

1 **Sec. 508.** 2003 1st sp.s. c 25 s 510 (uncodified) is amended to
2 read as follows:

3 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR INSTITUTIONAL**
4 **EDUCATION PROGRAMS**

5	General Fund--State Appropriation (FY 2004)	((\$18,596,000))
6		<u>\$18,366,000</u>
7	General Fund--State Appropriation (FY 2005)	((\$19,092,000))
8		<u>\$18,244,000</u>
9	TOTAL APPROPRIATION	((\$37,688,000))
10		<u>\$36,610,000</u>

11 The appropriations in this section are subject to the following
12 conditions and limitations:

13 (1) Each general fund--state fiscal year appropriation includes
14 such funds as are necessary to complete the school year ending in the
15 fiscal year and for prior fiscal year adjustments.

16 (2) State funding provided under this section is based on salaries
17 and other expenditures for a 220-day school year. The superintendent
18 of public instruction shall monitor school district expenditure plans
19 for institutional education programs to ensure that districts plan for
20 a full-time summer program.

21 (3) State funding for each institutional education program shall be
22 based on the institution's annual average full-time equivalent student
23 enrollment. Staffing ratios for each category of institution shall
24 remain the same as those funded in the 1995-97 biennium.

25 (4) The funded staffing ratios for education programs for juveniles
26 age 18 or less in department of corrections facilities shall be the
27 same as those provided in the 1997-99 biennium.

28 (5) ((~~\$279,000~~)) \$196,000 of the general fund--state appropriation
29 for fiscal year 2004 and ((~~\$286,000~~)) \$152,000 of the general fund--
30 state appropriation for fiscal year 2005 are provided solely to
31 maintain at least one certificated instructional staff and related
32 support services at an institution whenever the K-12 enrollment is not
33 sufficient to support one full-time equivalent certificated
34 instructional staff to furnish the educational program. The following
35 types of institutions are included: Residential programs under the
36 department of social and health services for developmentally disabled
37 juveniles, programs for juveniles under the department of corrections,

1 and programs for juveniles under the juvenile rehabilitation
2 administration.

3 (6) Ten percent of the funds allocated for each institution may be
4 carried over from one year to the next.

5 (7) A maximum of \$127,000 of the general fund--state appropriation
6 for fiscal year 2004 is provided solely for reimbursement of reasonable
7 direct program costs associated with the provision of a 220 day
8 educational program, as required by the settlement agreement resulting
9 from *Blakeley v. Bergeson*, Thurston County Superior Court No.
10 01-2-02025-8, for the 2003-04 school year for youthful offenders
11 incarcerated at Clallam Bay Correction Center. The reimbursements to
12 educational service district 114 shall only be made to the extent that
13 these reasonable direct costs exceed both (a) the actual state
14 institutional apportionment generated by the program and (b) the
15 institutional apportionment that would have been generated based upon
16 the annual FTE projected for the program by the department of
17 corrections and provided to educational service district 114.

18 **Sec. 509.** 2003 1st sp.s. c 25 s 511 (uncodified) is amended to
19 read as follows:

20 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PROGRAMS FOR HIGHLY**
21 **CAPABLE STUDENTS**

22	General Fund--State Appropriation (FY 2004)	((\$6,597,000))
23		<u>\$6,623,000</u>
24	General Fund--State Appropriation (FY 2005)	((\$6,614,000))
25		<u>\$6,640,000</u>
26	TOTAL APPROPRIATION	((\$13,211,000))
27		<u>\$13,263,000</u>

28 The appropriations in this section are subject to the following
29 conditions and limitations:

30 (1) Each general fund fiscal year appropriation includes such funds
31 as are necessary to complete the school year ending in the fiscal year
32 and for prior fiscal year adjustments.

33 (2) Allocations for school district programs for highly capable
34 students shall be distributed at a maximum rate of \$334.89 per funded
35 student for the 2003-04 school year and \$334.89 per funded student for
36 the 2004-05 school year, exclusive of salary and benefit adjustments

1 pursuant to section 504 of this act. The number of funded students
2 shall be a maximum of two percent of each district's full-time
3 equivalent basic education enrollment.

4 (3) \$170,000 of the fiscal year 2004 appropriation and \$170,000 of
5 the fiscal year 2005 appropriation are provided for the centrum program
6 at Fort Worden state park.

7 (4) \$90,000 of the fiscal year 2004 appropriation and \$90,000 of
8 the fiscal year 2005 appropriation are provided for the Washington
9 destination imagination network and future problem-solving programs.

10 **Sec. 510.** 2003 1st sp.s. c 25 s 512 (uncodified) is amended to
11 read as follows:

12 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR MISCELLANEOUS**
13 **PURPOSES UNDER THE ELEMENTARY AND SECONDARY SCHOOL IMPROVEMENT ACT AND**
14 **THE NO CHILD LEFT BEHIND ACT**

15 General Fund--Federal Appropriation (~~(\$46,198,000)~~)
16 \$42,817,000

17 **Sec. 511.** 2003 1st sp.s. c 25 s 513 (uncodified) is amended to
18 read as follows:

19 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--EDUCATION REFORM**
20 **PROGRAMS**

21 General Fund--State Appropriation (FY 2004) (~~(\$39,107,000)~~)
22 \$38,312,000

23 General Fund--State Appropriation (FY 2005) (~~(\$36,501,000)~~)
24 \$37,730,000

25 General Fund--Federal Appropriation (~~(\$128,402,000)~~)
26 \$164,087,000

27 TOTAL APPROPRIATION (~~(\$204,010,000)~~)
28 \$240,129,000

29 The appropriations in this section are subject to the following
30 conditions and limitations:

31 (1) \$310,000 of the general fund--state appropriation for fiscal
32 year 2004 and \$310,000 of the general fund--state appropriation for
33 fiscal year 2005 are provided solely for the academic achievement and
34 accountability commission.

35 (2) (~~(\$16,050,000)~~) \$15,506,000 of the general fund--state
36 appropriation for fiscal year 2004, (~~(\$12,511,000)~~) \$13,394,000 of the

1 general fund--state appropriation for fiscal year 2005, and
2 ((~~\$15,455,000~~)) \$12,310,000 of the general fund--federal appropriation
3 are provided solely for development and implementation of the
4 Washington assessments of student learning(~~(. Of the general fund--~~
5 ~~state amounts provided:~~

6 ~~(a) \$222,000 in fiscal year 2004 and \$244,000 in fiscal year 2005~~
7 ~~are for providing high school students who are not successful in one or~~
8 ~~more content areas of the Washington assessment of student learning the~~
9 ~~opportunity to retake the test and \$75,000 of the fiscal year 2004~~
10 ~~appropriation is provided for developing alternative assessments as~~
11 ~~provided in Engrossed Substitute House Bill No. 2195 (state academic~~
12 ~~standards). If Engrossed Substitute House Bill No. 2195 is not enacted~~
13 ~~by June 30, 2003, the amounts in this subsection (a) shall lapse.~~

14 ~~(b) \$300,000 in fiscal year 2004 is for independent research on the~~
15 ~~alignment and technical review of the reading, writing, and science~~
16 ~~content areas of the Washington assessment of student learning, as~~
17 ~~provided by Engrossed Substitute House Bill No. 2195 (state academic~~
18 ~~standards). If Engrossed Substitute House Bill No. 2195 is not enacted~~
19 ~~by June 30, 2003, the amount in this subsection (b) shall lapse))~~
20 (WASL), which includes development and implementation of retake
21 assessments for high school students who are not successful in one or
22 more content areas of the WASL, development of alternative assessments
23 to implement the certificate of mastery, and independent research on
24 the alignment and technical review of reading, writing, and science.

25 (3) \$548,000 of the fiscal year 2004 general fund--state
26 appropriation and \$548,000 of the fiscal year 2005 general fund--state
27 appropriation are provided solely for training of paraprofessional
28 classroom assistants and certificated staff who work with classroom
29 assistants as provided in RCW 28A.415.310.

30 (4) \$2,348,000 of the general fund--state appropriation for fiscal
31 year 2004 and \$2,348,000 of the general fund--state appropriation for
32 fiscal year 2005 are provided solely for mentor teacher assistance,
33 including state support activities, under RCW 28A.415.250 and
34 28A.415.260, and for a mentor academy. Up to \$200,000 of the amount in
35 this subsection may be used each fiscal year to operate a mentor
36 academy to help districts provide effective training for peer mentors.
37 Funds for the teacher assistance program shall be allocated to school
38 districts based on the number of first year beginning teachers.

1 (a) A teacher assistance program is a program that provides to a
2 first year beginning teacher peer mentor services that include but are
3 not limited to:

4 (i) An orientation process and individualized assistance to help
5 beginning teachers who have been hired prior to the start of the school
6 year prepare for the start of a school year;

7 (ii) The assignment of a peer mentor whose responsibilities to the
8 beginning teacher include but are not limited to constructive feedback,
9 the modeling of instructional strategies, and frequent meetings and
10 other forms of contact;

11 (iii) The provision by peer mentors of strategies, training, and
12 guidance in critical areas such as classroom management, student
13 discipline, curriculum management, instructional skill, assessment,
14 communication skills, and professional conduct. A district may provide
15 these components through a variety of means including one-on-one
16 contact and workshops offered by peer mentors to groups, including
17 cohort groups, of beginning teachers;

18 (iv) The provision of release time, substitutes, mentor training in
19 observation techniques, and other measures for both peer mentors and
20 beginning teachers, to allow each an adequate amount of time to observe
21 the other and to provide the classroom experience that each needs to
22 work together effectively;

23 (v) Assistance in the incorporation of the essential academic
24 learning requirements into instructional plans and in the development
25 of complex teaching strategies, including strategies to raise the
26 achievement of students with diverse learning styles and backgrounds;
27 and

28 (vi) Guidance and assistance in the development and implementation
29 of a professional growth plan. The plan shall include a professional
30 self-evaluation component and one or more informal performance
31 assessments. A peer mentor may not be involved in any evaluation under
32 RCW 28A.405.100 of a beginning teacher whom the peer mentor has
33 assisted through this program.

34 (b) In addition to the services provided in (a) of this subsection,
35 an eligible peer mentor program shall include but is not limited to the
36 following components:

37 (i) Strong collaboration among the peer mentor, the beginning
38 teacher's principal, and the beginning teacher;

1 (ii) Stipends for peer mentors and, at the option of a district,
2 for beginning teachers. The stipends shall not be deemed compensation
3 for the purposes of salary lid compliance under RCW 28A.400.200 and are
4 not subject to the continuing contract provisions of Title 28A RCW; and

5 (iii) To the extent that resources are available for this purpose
6 and that assistance to beginning teachers is not adversely impacted,
7 the program may serve second year and more experienced teachers who
8 request the assistance of peer mentors.

9 (5) \$1,959,000 of the general fund--state appropriation for fiscal
10 year 2004 and \$1,959,000 of the general fund--state appropriation for
11 fiscal year 2005 are provided solely for improving technology
12 infrastructure, monitoring and reporting on school district technology
13 development, promoting standards for school district technology,
14 promoting statewide coordination and planning for technology
15 development, and providing regional educational technology support
16 centers, including state support activities, under chapter 28A.650 RCW.
17 The superintendent of public instruction shall coordinate a process to
18 facilitate the evaluation and provision of online curriculum courses to
19 school districts which includes the following: Creation of a general
20 listing of the types of available online curriculum courses; a survey
21 conducted by each regional educational technology support center of
22 school districts in its region regarding the types of online curriculum
23 courses desired by school districts; a process to evaluate and
24 recommend to school districts the best online courses in terms of
25 curriculum, student performance, and cost; and assistance to school
26 districts in procuring and providing the courses to students.

27 (6) \$3,594,000 of the general fund--state appropriation for fiscal
28 year 2004 and \$3,594,000 of the general fund--state appropriation for
29 fiscal year 2005 are provided solely for grants to school districts to
30 provide a continuum of care for children and families to help children
31 become ready to learn. Grant proposals from school districts shall
32 contain local plans designed collaboratively with community service
33 providers. If a continuum of care program exists in the area in which
34 the school district is located, the local plan shall provide for
35 coordination with existing programs to the greatest extent possible.
36 Grant funds shall be allocated pursuant to RCW 70.190.040.

37 (7) \$2,500,000 of the general fund--state appropriation for fiscal

1 year 2004 and \$2,500,000 of the general fund--state appropriation for
2 fiscal year 2005 are provided solely for the meals for kids program
3 under RCW 28A.235.145 through 28A.235.155.

4 (8) \$705,000 of the general fund--state appropriation for fiscal
5 year 2004 and \$705,000 of the general fund--state appropriation for
6 fiscal year 2005 are provided solely for the leadership internship
7 program for superintendents, principals, and program administrators.

8 (9) A maximum of \$250,000 of the general fund--state appropriation
9 for fiscal year 2004 and a maximum of \$250,000 of the general fund--
10 state appropriation for fiscal year 2005 are provided for summer
11 accountability institutes offered by the superintendent of public
12 instruction and the academic achievement and accountability commission.
13 The institutes shall provide school district staff with training in the
14 analysis of student assessment data, information regarding successful
15 district and school teaching models, research on curriculum and
16 instruction, and planning tools for districts to improve instruction in
17 reading, mathematics, language arts, and guidance and counseling.

18 (10) \$3,713,000 of the general fund--state appropriation for fiscal
19 year 2004 and \$3,713,000 of the general fund--state appropriation for
20 fiscal year 2005 are provided solely for the Washington reading corps
21 subject to the following conditions and limitations:

22 (a) Grants shall be allocated to schools and school districts to
23 implement proven, research-based mentoring and tutoring programs in
24 reading that may include research-based reading skills development
25 software for low-performing students in grades K-6. If the grant is
26 made to a school district, the principals of schools enrolling targeted
27 students shall be consulted concerning design and implementation of the
28 program.

29 (b) The programs may be implemented before, after, or during the
30 regular school day, or on Saturdays, summer, intercessions, or other
31 vacation periods.

32 (c) Two or more schools may combine their Washington reading corps
33 programs.

34 (d) A program is eligible for a grant if it meets the following
35 conditions:

36 (i) The program employs methods of teaching and student learning
37 based on reliable reading/literacy research and effective practices;

1 (ii) The program design is comprehensive and includes instruction,
2 on-going student assessment, professional development,
3 parental/community involvement, and program management aligned with the
4 school's reading curriculum;

5 (iii) It provides quality professional development and training for
6 teachers, staff, and volunteer mentors and tutors;

7 (iv) It has measurable goals for student reading aligned with the
8 essential academic learning requirements;

9 (v) It contains an evaluation component to determine the
10 effectiveness of the program; and

11 (vi) The program may include a software-based solution to increase
12 the student/tutor ratio to a minimum of 5:1. The selected software
13 program shall be scientifically researched-based.

14 (e) Funding priority shall be given to low-performing schools.

15 (f) Beginning and end-of-program testing data shall be available to
16 determine the effectiveness of funded programs and practices. Common
17 evaluative criteria across programs, such as grade-level improvements
18 shall be available for each reading corps program. The superintendent
19 of public instruction shall provide program evaluations to the governor
20 and the appropriate committees of the legislature. Administrative and
21 evaluation costs may be assessed from the annual appropriation for the
22 program.

23 (g) Grants provided under this section may be used by schools and
24 school districts for expenditures from September 2003 through August
25 31, 2005.

26 (11) (~~(\$1,564,000)~~) \$1,313,000 of the general fund--state
27 appropriation for fiscal year 2004 and (~~(\$2,497,000)~~) \$2,473,000 of the
28 general fund--state appropriation for fiscal year 2005 are provided
29 solely for salary bonuses for teachers who attain certification by the
30 national board for professional teaching standards, subject to the
31 following conditions and limitations:

32 (a) Teachers who hold a valid certificate from the national board
33 during the 2003-04 or 2004-05 school years shall receive an annual
34 bonus not to exceed \$3,500 in each of these school years in which they
35 hold a national board certificate.

36 (b) The annual bonus shall be paid in a lump sum amount and shall
37 not be included in the definition of "earnable compensation" under RCW
38 41.32.010(10).

1 (12) \$313,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$313,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely for a principal support program.
4 The office of the superintendent of public instruction may contract
5 with an independent organization to administer the program. The
6 program shall include: (a) Development of an individualized
7 professional growth plan for a new principal or principal candidate;
8 and (b) participation of a mentor principal who works over a period of
9 between one and three years with the new principal or principal
10 candidate to help him or her build the skills identified as critical to
11 the success of the professional growth plan.

12 (13) \$126,000 of the general fund--state appropriation for fiscal
13 year 2004 and \$126,000 of the general fund--state appropriation for
14 fiscal year 2005 are provided for the development and posting of web-
15 based instructional tools, assessment data, and other information that
16 assists schools and teachers implementing higher academic standards.

17 (14) \$3,046,000 of the general fund--state appropriation for fiscal
18 year 2004 and \$3,046,000 of the general fund--state appropriation for
19 fiscal year 2005 are provided solely to the office of the
20 superintendent of public instruction for focused assistance. The
21 office of the superintendent of public instruction shall conduct
22 educational audits of low-performing schools and enter into performance
23 agreements between school districts and the office to implement the
24 recommendations of the audit and the community. Each educational audit
25 shall include recommendations for best practices and ways to address
26 identified needs and shall be presented to the community in a public
27 meeting to seek input on ways to implement the audit and its
28 recommendations.

29 (15) \$1,764,000 of the general fund--state appropriation for fiscal
30 year 2004 and \$1,764,000 of the general fund--state appropriation for
31 fiscal year 2005 are provided solely for the mathematics helping corps
32 subject to the following conditions and limitations:

33 (a) In order to increase the availability and quality of technical
34 mathematics assistance statewide, the superintendent of public
35 instruction shall employ mathematics school improvement specialists to
36 provide assistance to schools and districts. The specialists shall be
37 hired by and work under the direction of a statewide school improvement

1 coordinator. The mathematics improvement specialists shall not be
2 permanent employees of the superintendent of public instruction.

3 (b) The school improvement specialists shall provide the following:

4 (i) Assistance to schools to disaggregate student performance data
5 and develop improvement plans based on those data;

6 (ii) Consultation with schools and districts concerning their
7 performance on the Washington assessment of student learning and other
8 assessments emphasizing the performance on the mathematics assessments;

9 (iii) Consultation concerning curricula that aligns with the
10 essential academic learning requirements emphasizing the academic
11 learning requirements for mathematics, the Washington assessment of
12 student learning, and meets the needs of diverse learners;

13 (iv) Assistance in the identification and implementation of
14 research-based instructional practices in mathematics;

15 (v) Staff training that emphasizes effective instructional
16 strategies and classroom-based assessment for mathematics;

17 (vi) Assistance in developing and implementing family and community
18 involvement programs emphasizing mathematics; and

19 (vii) Other assistance to schools and school districts intended to
20 improve student mathematics learning.

21 (16) (~~(\$87,901,000)~~) \$370,000 of the general fund--state
22 appropriation for fiscal year 2005 is provided solely for the reading
23 and math initiatives. The office of the superintendent of public
24 instruction shall evaluate textbooks and other instructional materials
25 for reading and math to determine the extent to which they are aligned
26 with the state standards. A scorecard of the analysis shall be made
27 available to school districts. In addition, the superintendent shall
28 develop and disseminate information on essential components of
29 comprehensive, school-based reading programs.

30 (17) \$125,822,000 of the general fund--federal appropriation is
31 provided for preparing, training, and recruiting high quality teachers
32 and principals under Title II of the no child left behind act.

33 (~~(17) \$25,046,000~~) (18) \$25,955,000 of the general fund--federal
34 appropriation is provided for the reading first program under Title I
35 of the no child left behind act.

36 **Sec. 512.** 2003 1st sp.s. c 25 s 514 (uncodified) is amended to
37 read as follows:

1	FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRANSITIONAL	
2	BILINGUAL PROGRAMS	
3	General Fund--State Appropriation (FY 2004)	((\$49,791,000))
4		<u>\$50,923,000</u>
5	General Fund--State Appropriation (FY 2005)	((\$52,062,000))
6		<u>\$54,111,000</u>
7	General Fund--Federal Appropriation (FY 2005)	((\$46,309,000))
8		<u>\$44,544,000</u>
9	TOTAL APPROPRIATION	((\$148,162,000))
10		<u>\$149,578,000</u>

11 The appropriations in this section are subject to the following
12 conditions and limitations:

13 (1) Each general fund fiscal year appropriation includes such funds
14 as are necessary to complete the school year ending in the fiscal year
15 and for prior fiscal year adjustments.

16 (2) The superintendent shall distribute a maximum of \$725.11 per
17 eligible bilingual student in the 2003-04 school year and \$725.11 in
18 the 2004-05 school year, exclusive of salary and benefit adjustments
19 provided in section 504 of this act.

20 (3) The superintendent may withhold up to \$700,000 in school year
21 2003-04 and up to \$700,000 in school year 2004-05, and adjust the per
22 eligible pupil rates in subsection (2) of this section accordingly, for
23 the central provision of assessments as provided in RCW 28A.180.090 (1)
24 and (2).

25 (4) \$70,000 of the amounts appropriated in this section are
26 provided solely to develop a system for the tracking of current and
27 former transitional bilingual program students.

28 (5) The general fund--federal appropriation in this section is
29 provided for migrant education under Title I Part C and English
30 language acquisition, and language enhancement grants under Title III
31 of the elementary and secondary education act.

32 **Sec. 513.** 2003 1st sp.s. c 25 s 515 (uncodified) is amended to
33 read as follows:

34 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR THE LEARNING**
35 **ASSISTANCE PROGRAM**

36	General Fund--State Appropriation (FY 2004)	((\$65,385,000))
37		<u>\$64,332,000</u>

1	General Fund--State Appropriation (FY 2005)	((\$64,051,000))
2		<u>\$70,013,000</u>
3	General Fund--Federal Appropriation	((\$307,178,000))
4		<u>\$301,322,000</u>
5	TOTAL APPROPRIATION	((\$436,614,000))
6		<u>\$435,667,000</u>

7 (1) The general fund--state appropriations in this section are
8 subject to the following conditions and limitations:

9 (a) Each general fund--state fiscal year appropriation includes
10 such funds as are necessary to complete the school year ending in the
11 fiscal year and for prior fiscal year adjustments.

12 (b) Funding for school district learning assistance programs shall
13 be allocated at maximum rates of \$432.15 per funded unit for the 2003-
14 04 school year and (~~(\$433.03)~~) \$432.80 per funded unit for the 2004-05
15 school year exclusive of salary and benefit adjustments provided under
16 section 504 of this act.

17 (c) For purposes of this section, "test results" refers to the
18 district results from the norm-referenced test administered in the
19 specified grade level. The norm-referenced test results used for the
20 third and sixth grade calculations shall be consistent with the third
21 and sixth grade tests required under RCW 28A.230.190 and 28A.230.193.

22 (d) A school district's general fund--state funded units shall be
23 the sum of the following:

24 (i) The district's full-time equivalent enrollment in grades K-6,
25 multiplied by the 5-year average 4th grade lowest quartile test results
26 as adjusted for funding purposes in the school years prior to 1999-
27 2000, multiplied by 0.82. As the 3rd grade test becomes available, it
28 shall be phased into the 5-year average on a 1-year lag;

29 (ii) The district's full-time equivalent enrollment in grades 7-9,
30 multiplied by the 5-year average 8th grade lowest quartile test results
31 as adjusted for funding purposes in the school years prior to 1999-
32 2000, multiplied by 0.82. As the 6th grade test becomes available, it
33 shall be phased into the 5-year average for these grades on a 1-year
34 lag;

35 (iii) The district's full-time equivalent enrollment in grades 10-
36 11 multiplied by the 5-year average 11th grade lowest quartile test
37 results, multiplied by 0.82. As the 9th grade test becomes available,

1 it shall be phased into the 5-year average for these grades on a 1-year
2 lag;

3 (iv) If, in the prior school year, the district's percentage of
4 October headcount enrollment in grades K-12 eligible for free and
5 reduced price lunch exceeded the state average, subtract the state
6 average percentage of students eligible for free and reduced price
7 lunch from the district's percentage and multiply the result by the
8 district's K-12 annual average full-time equivalent enrollment for the
9 current school year (A) multiplied by 22.3 percent for the 2003-04
10 school year, and (B) multiplied by 55 percent for the 2004-05 school
11 year; and

12 (v) In addition to amounts allocated under (d) of this subsection,
13 for school districts in which the effective Title I Part A (basic
14 program) increase is insufficient to cover the formula change in the
15 multiplier from .92 to .82, a state allocation shall be provided that,
16 when combined with the effective increase in federal Title I Part A
17 (basic program) funds from the 2001-02 school year, is sufficient to
18 cover this amount. The effective Title I Part A (basic program)
19 increase is the current school year federal Title I Part A (basic
20 program) allocation minus the 2001-02 school year federal Title I Part
21 A (basic program) allocation, after the 2001-02 Title I Part A
22 allocation has been inflated by three percent.

23 (2) The general fund--federal appropriation in this section is
24 provided for Title I Part A allocations of the no child left behind act
25 of 2001.

26 (3) A school district may carry over from one year to the next up
27 to 10 percent of the general fund--state funds allocated under this
28 program; however, carryover funds shall be expended for the learning
29 assistance program.

30 **Sec. 514.** 2003 1st sp.s. c 25 s 516 (uncodified) is amended to
31 read as follows:

32 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR STUDENT ACHIEVEMENT**
33 **PROGRAM**

34 Student Achievement Fund--State	
35 Appropriation (FY 2004)	((\$203,123,000))
36	<u>\$206,825,000</u>
37 Student Achievement Fund--State	

1	Appropriation (FY 2005)	((\$195,080,000))
2		<u>\$195,412,000</u>
3	TOTAL APPROPRIATION	((\$398,203,000))
4		<u>\$402,237,000</u>

5 The appropriations in this section are subject to the following
6 conditions and limitations:

7 (1) Funding for school district student achievement programs shall
8 be allocated at a maximum rate of ((~~\$211.67~~)) \$211.72 per FTE student
9 for the 2003- 04 school year and \$254.00 per FTE student for the 2004-
10 05 school year. For the purposes of this section and in accordance
11 with RCW 84.52.068, FTE student refers to the annual average full-time
12 equivalent enrollment of the school district in grades kindergarten
13 through twelve for the prior school year.

14 (2) The appropriation is allocated for the following uses as
15 specified in RCW 28A.505.210:

16 (a) To reduce class size by hiring certificated elementary
17 classroom teachers in grades K-4 and paying nonemployee-related costs
18 associated with those new teachers;

19 (b) To make selected reductions in class size in grades 5-12, such
20 as small high school writing classes;

21 (c) To provide extended learning opportunities to improve student
22 academic achievement in grades K-12, including, but not limited to,
23 extended school year, extended school day, before-and-after-school
24 programs, special tutoring programs, weekend school programs, summer
25 school, and all-day kindergarten;

26 (d) To provide additional professional development for educators
27 including additional paid time for curriculum and lesson redesign and
28 alignment, training to ensure that instruction is aligned with state
29 standards and student needs, reimbursement for higher education costs
30 related to enhancing teaching skills and knowledge, and mentoring
31 programs to match teachers with skilled, master teachers. The funding
32 shall not be used for salary increases or additional compensation for
33 existing teaching duties, but may be used for extended year and
34 extended day teaching contracts;

35 (e) To provide early assistance for children who need
36 prekindergarten support in order to be successful in school; or

37 (f) To provide improvements or additions to school building

1 facilities which are directly related to the class size reductions and
2 extended learning opportunities under (a) through (c) of this
3 subsection (2).

4 (3) For the 2003-04 school year, the office of the superintendent
5 of public instruction shall distribute ten percent of the school year
6 allocation to districts each month for the months of September through
7 June. For the 2004-05 school year, the superintendent of public
8 instruction shall distribute the school year allocation according to
9 the monthly apportionment schedule defined in RCW 28A.510.250.

10 **Sec. 515.** 2003 1st sp.s. c 25 s 517 (uncodified) is amended to
11 read as follows:

12 **K-12 CARRYFORWARD AND PRIOR SCHOOL YEAR ADJUSTMENTS.** State
13 general fund and state student achievement fund appropriations provided
14 to the superintendent of public instruction for state entitlement
15 programs in the public schools in this part V of this act may be
16 expended as needed by the superintendent for adjustments to
17 apportionment for prior fiscal periods. Recoveries of state general
18 fund moneys from school districts and educational service districts for
19 a prior fiscal period shall be made as reductions in apportionment
20 payments for the current fiscal period and shall be shown as prior year
21 adjustments on apportionment reports for the current period. Such
22 recoveries shall not be treated as revenues to the state, but as a
23 reduction in the amount expended against the appropriation for the
24 current fiscal period.

(End of part)

PART VI
HIGHER EDUCATION

Sec. 601. 2003 1st sp.s. c 25 s 602 (uncodified) is amended to read as follows:

(1) The appropriations in sections 603 through 610 of this act provide state general fund support for full-time equivalent student enrollments at each institution of higher education. Listed below are the annual full-time equivalent student enrollments by institutions assumed in this act.

	2003-04	2004-05	
	Annual	Annual	
	Average	Average	
University of Washington			
Main campus	32,427	((32,427))	<u>33,004</u>
Bothell branch	1,235	1,235	
Tacoma branch	1,484	1,484	
Washington State University			
Main campus	17,348	((17,364))	<u>17,652</u>
Spokane branch	593	593	
Tri-Cities branch	616	616	
Vancouver branch	1,153	1,153	
Central Washington University			
Eastern Washington University	7,666	((7,666))	<u>7,734</u>
The Evergreen State College	8,017	((8,017))	<u>8,083</u>
Western Washington University	3,837	((3,837))	<u>3,862</u>
State Board for Community and Technical Colleges	11,126	((11,126))	<u>11,213</u>
Higher Education Coordinating Board	126,070	((126,070))	<u>127,459</u>
	246	500	

(2)(a) In addition to the annual full-time equivalent student enrollments enumerated in this section, funding is provided in (i) section 603 of this act for additional community or technical college

1 full-time equivalent student enrollments in high-demand fields of study
2 and (ii) section 722 of this act (special appropriations to the
3 governor) for additional full-time equivalent transfer student
4 enrollments with junior-class standing.

5 (b) For the state universities, the number of full-time equivalent
6 student enrollments enumerated in this section for the branch campuses
7 are the minimum required enrollment levels for those campuses. At the
8 start of an academic year, the governing board of a state university
9 may transfer full-time equivalent student enrollments from the main
10 campus to one or more branch campus. Intent notice shall be provided
11 to the office of financial management and reassignment of funded
12 enrollment is contingent upon satisfying data needs of the forecast
13 division who is responsible to track and monitor state-supported
14 college enrollment.

15 **Sec. 602.** 2003 1st sp.s. c 25 s 603 (uncodified) is amended to
16 read as follows:

17 **FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES**

18 General Fund--State Appropriation (FY 2004)	((\$507,960,000))
	<u>\$509,460,000</u>
20 General Fund--State Appropriation (FY 2005)	((\$517,854,000))
	<u>\$533,054,000</u>
22 Administrative Contingency Account--State	
23 Appropriation	((\$3,200,000))
	<u>\$5,200,000</u>
25 TOTAL APPROPRIATION	((\$1,029,014,000))
	<u>\$1,047,714,000</u>

27 The appropriations in this section are subject to the following
28 conditions and limitations:

29 (1) The technical colleges may increase tuition and fees in excess
30 of the fiscal growth factor to conform with the percentage increase in
31 community college operating fees.

32 (2) \$1,250,000 of the general fund--state appropriation for fiscal
33 year 2004 and \$1,250,000 of the general fund--state appropriation for
34 fiscal year 2005 are provided solely to increase salaries and related
35 benefits for part-time faculty. The board shall report by January 30,
36 2004, to the office of financial management and legislative fiscal and

1 higher education committees on (a) the distribution of state funds; and
2 (b) wage adjustments for part-time faculty.

3 (3) \$1,250,000 of the general fund--state appropriation for fiscal
4 year 2004 and \$1,250,000 of the general fund--state appropriation for
5 fiscal year 2005 are provided solely for faculty salary increments and
6 associated benefits and may be used in combination with salary and
7 benefit savings from faculty turnover to provide salary increments and
8 associated benefits.

9 (4) \$1,000,000 of the general fund--state appropriation for fiscal
10 year 2004 and \$1,000,000 of the general fund--state appropriation for
11 fiscal year 2005 are provided for a program to fund the start-up of new
12 community and technical college programs in rural counties as defined
13 under RCW 43.160.020(12) and in communities impacted by business
14 closures and job reductions. Successful proposals must respond to
15 local economic development strategies and must include a plan to
16 continue programs developed with this funding.

17 (5) \$675,000 of the general fund--state appropriation for fiscal
18 year 2004 and \$675,000 of the general fund--state appropriation for
19 fiscal year 2005 are provided solely for allocation to Clark Community
20 College and Lower Columbia Community College to prepare a total of 168
21 full-time equivalent students for transfer to the engineering and
22 science institute at the Vancouver branch campus of Washington State
23 University. The appropriations in this section are intended to
24 supplement, not supplant, general enrollment allocations by the board
25 to districts named in this subsection.

26 (6) \$640,000 of the general fund--state appropriation for fiscal
27 year 2004 and \$640,000 of the general fund--state appropriation for
28 fiscal year 2005 are provided solely for allocation to twelve college
29 districts identified in (a) through (l) of this subsection to prepare
30 students for transfer to the state technology institute at the Tacoma
31 branch campus of the University of Washington. The appropriations in
32 this section are intended to supplement, not supplant, general
33 enrollment allocations by the board to the districts under (a) through
34 (l) of this subsection:

- 35 (a) Bates Technical College;
- 36 (b) Bellevue Community College;
- 37 (c) Centralia Community College;
- 38 (d) Clover Park Community College;

- 1 (e) Grays Harbor Community College;
- 2 (f) Green River Community College;
- 3 (g) Highline Community College;
- 4 (h) Tacoma Community College;
- 5 (i) Olympic Community College;
- 6 (j) Pierce District;
- 7 (k) Seattle District; and
- 8 (l) South Puget Sound Community College.

9 (7) \$28,761,000 of the general fund--state appropriation for fiscal
10 year 2004 and \$28,761,000 of the general fund--state appropriation for
11 fiscal year 2005 are provided solely as special funds for training and
12 related support services, including financial aid, as specified in
13 chapter 226, Laws of 1993 (employment and training for unemployed
14 workers). Funding is provided to support up to 6,200 full-time
15 equivalent students in each fiscal year.

16 (8) \$1,000,000 of the general fund--state appropriation for fiscal
17 year 2004 and \$1,000,000 of the general fund--state appropriation for
18 fiscal year 2005 are provided solely for tuition support for students
19 enrolled in work-based learning programs.

20 (9) \$2,950,000 of the administrative contingency account--state
21 appropriation is provided solely for administration and customized
22 training contracts through the job skills program, which shall be made
23 available broadly and not to the exclusion of private nonprofit
24 baccalaureate degree granting institutions or vocational arts career
25 schools operating in Washington state who partner with a firm,
26 hospital, group, or industry association concerned with commerce,
27 trade, manufacturing, or the provision of services to train current or
28 prospective employees. The state board shall make an annual report by
29 January 1 of each fiscal year to the governor and appropriate policy
30 and fiscal committees of the legislature regarding the implementation
31 of this section listing the scope of grant awards, the distribution of
32 funds by educational sector and region of the state, as well as
33 successful partnerships being supported by these state funds.

34 (10) \$250,000 of the administrative contingency account--state
35 appropriation is provided solely and on a one-time basis to start up a
36 college district consortium organized under the name "alliance for
37 corporate education." Financial operations shall be self-sustaining by

1 no later than June 30, 2005, after which time any amount remaining
2 unexpended from this amount shall lapse.

3 (11) \$50,000 of the general fund--state appropriation for fiscal
4 year 2004 and \$50,000 of the general fund--state appropriation for
5 fiscal year 2005 are solely for higher education student child care
6 matching grants under chapter 28B.135 RCW.

7 (12) \$212,000 of the general fund--state appropriation for fiscal
8 year 2004 and \$212,000 of the general fund--state appropriation for
9 fiscal year 2005 are provided for allocation to Olympic college. The
10 college shall contract with accredited baccalaureate institution(s) to
11 bring a program of upper-division courses to Bremerton. The state
12 board for community and technical colleges shall report to the office
13 of financial management and the fiscal and higher education committees
14 of the legislature on the implementation of this subsection by December
15 1st of each fiscal year.

16 (13) \$6,304,000 of the general fund--state appropriation for fiscal
17 year 2004 and (~~(\$6,305,000)~~) \$16,305,000 of the general fund--state
18 appropriation for fiscal year 2005 are provided solely to expand
19 enrollment in high-demand fields.

20 (a) High-demand fields means (i) health services, (ii) applied
21 science and engineering, (iii) viticulture and enology, and (iv)
22 expansion of worker retraining programs. The state board shall
23 allocate resources among the four areas specified in this subsection
24 and shall manage a competitive process for awarding resources for
25 health services, viticulture, enology, and applied science and
26 engineering programs.

27 (b) The state board shall provide information on the number of
28 additional headcount and full-time equivalent students enrolled in
29 high-demand fields by November 1 of each fiscal year to the office of
30 financial management and the fiscal and higher education committees of
31 the legislature.

32 (14) \$111,000 of the general fund--state appropriation for fiscal
33 year 2004 and \$86,000 of the general fund--state appropriation for
34 fiscal year 2005 are provided solely to support the development of a
35 comprehensive viticulture (grape growing) and enology (wine making)
36 higher education program in Washington state. From these sums, the
37 state board shall allocate:

1 (a) \$75,000 a year to Walla Walla community college for its
2 associate science and associate arts degree programs for the purpose of
3 vineyard and wine-making equipment purchases, student labor,
4 instructional supplies, field work, and travel expenses;

5 (b) \$25,000 on a one-time basis to Wenatchee community college for
6 the purpose of adapting its orchard employee educational program; and

7 (c) \$22,000 on a one-time basis to Yakima Valley community college
8 for the purpose of vineyard and wine-making equipment and supply
9 purchases.

10 The college districts named in this subsection are encouraged to
11 seek a portion of the high-demand student enrollment funding made
12 available on a competitive basis through the state board to address
13 their respective need for additional instructors and professional
14 staff.

15 **Sec. 603.** 2003 1st sp.s. c 25 s 604 (uncodified) is amended to
16 read as follows:

17 **FOR THE UNIVERSITY OF WASHINGTON**

18	General Fund--State Appropriation (FY 2004)	\$311,628,000
19	General Fund--State Appropriation (FY 2005)	(\$319,584,000)
20		<u>\$323,461,000</u>
21	General Fund--Private/Local Appropriation	\$300,000
22	Death Investigations Account--State	
23	Appropriation	\$261,000
24	Accident Account--State Appropriation	\$5,937,000
25	Medical Aid Account--State Appropriation	\$5,960,000
26	TOTAL APPROPRIATION	(\$643,670,000)
27		<u>\$647,547,000</u>

28 The appropriations in this section are subject to the following
29 conditions and limitations:

30 (1) \$1,875,000 of the general fund--state appropriation for fiscal
31 year 2004 and \$1,875,000 of the general fund--state appropriation for
32 fiscal year 2005 are provided solely to create a state resource for
33 technology education in the form of an institute located at the
34 University of Washington, Tacoma. The university will continue to
35 provide undergraduate and graduate degree programs meeting regional
36 technology needs including, but not limited to, computing and software
37 systems. As a condition of these appropriations:

1 (a) The university will work with the state board for community and
2 technical colleges, or individual colleges where necessary, to
3 establish articulation agreements in addition to the existing associate
4 of arts and associate of science transfer degrees. Such agreements
5 shall improve the transferability of students and in particular,
6 students with substantial applied information technology credits.

7 (b) The university will establish performance measures for
8 recruiting, retaining and graduating students, including nontraditional
9 students, and report back to the governor and legislature by September
10 2004 as to its progress and future steps.

11 (2) \$150,000 of the general fund--state appropriation for fiscal
12 year 2004 and \$150,000 of the general fund--state appropriation for
13 fiscal year 2005 are provided solely for research faculty clusters in
14 the advanced technology initiative program.

15 (3) The entire death investigations account appropriation is
16 provided for the forensic pathologist fellowship program.

17 (4) \$150,000 of the general fund--state appropriation for fiscal
18 year 2004 and \$150,000 of the general fund--state appropriation for
19 fiscal year 2005 are provided solely for the implementation of the
20 Puget Sound work plan and agency action item UW-01.

21 (5) \$75,000 of the general fund--state appropriation for fiscal
22 year 2004 and \$75,000 of the general fund--state appropriation for
23 fiscal year 2005 are provided solely for the Olympic natural resources
24 center.

25 (6) \$1,526,000 of the general fund--state appropriation for fiscal
26 year 2004 and \$3,096,000 of the general fund--state appropriation for
27 fiscal year 2005 are provided solely for competitively offered
28 recruitment and retention salary adjustments for instructional and
29 research faculty, exempt professional staff, academic administrators,
30 academic librarians, counselors, teaching and research assistants, as
31 classified by the office of financial management, and all other
32 nonclassified staff, but not including employees under RCW 28B.16.015.
33 Tuition revenues may be expended in addition to those required by this
34 section to further provide recruitment and retention salary
35 adjustments.

36 (7) \$1,250,000 of the general fund--state appropriation for fiscal
37 year 2004 and (~~(\$1,250,000)~~) \$2,750,000 of the general fund--state

1 appropriation for fiscal year 2005 are provided solely for state match
2 to attract or retain federal research grants in high demand and
3 technologically advanced fields.

4 (8) \$300,000 of the general fund--private/local appropriation is
5 provided solely for shellfish biotoxin monitoring as specified in
6 Chapter 263, Laws of 2003 (SSB 6073, shellfish license fee).

7 **Sec. 604.** 2003 1st sp.s. c 25 s 605 (uncodified) is amended to
8 read as follows:

9 **FOR WASHINGTON STATE UNIVERSITY**

10	General Fund--State Appropriation (FY 2004)	\$185,265,000
11	General Fund--State Appropriation (FY 2005)	(\$189,954,000)
12		<u>\$192,867,000</u>
13	Washington State University Building Account--	
14	State Appropriation	\$150,000
15	TOTAL APPROPRIATION	(\$375,369,000)
16		<u>\$378,282,000</u>

17 The appropriations in this section are subject to the following
18 conditions and limitations:

19 (1) \$507,000 of the general fund--state appropriation for fiscal
20 year 2004 and \$1,014,000 of the general fund--state appropriation for
21 fiscal year 2005 are provided solely to expand the entering class of
22 veterinary medicine students by 16 full-time equivalent residents each
23 academic year during the 2003-05 biennium.

24 (2) \$657,000 of the general fund--state appropriation for fiscal
25 year 2004, \$180,000 of the general fund--state appropriation for fiscal
26 year 2005, and the entire Washington state university building account
27 appropriation are provided solely to support the development of a
28 comprehensive viticulture (grape growing) and enology (wine making)
29 higher education program in Washington state. In consideration of
30 these appropriations, the legislature intends to provide ongoing
31 support of not less than \$180,000 a year for extension field personnel
32 and services. The balance of the amount provided from the fiscal year
33 2004 appropriation is provided on a one-year basis to enable the
34 university to appoint jointly shared faculty between the Pullman main
35 campus and its branch campus in the TriCities. The legislature expects
36 the university to meet ongoing faculty, staff, and related expenses to
37 support the delivery of baccalaureate degree programs in viticulture

1 and enology by making a successful bid for a portion of high-demand
2 enrollment funding that will be distributed on a competitive basis by
3 the state higher education coordinating board for student instruction
4 pursuant to section 610(3) of this act.

5 (3) \$675,000 of the general fund--state appropriation for fiscal
6 year 2004 and \$675,000 of the general fund--state appropriation for
7 fiscal year 2005 are provided solely for allocation in full to the
8 branch campus in Vancouver to create and operate a state institute for
9 engineering and science in partnership with Clark and Lower Columbia
10 community colleges and regional industry leaders in southwest
11 Washington. As a condition of this appropriation, the university shall
12 develop and provide to the satisfaction of the office of financial
13 management a business plan for the new institute. The university,
14 together with its two-year college and industry partners, shall provide
15 the governor, legislature, and state higher education coordinating
16 board with an annual summary of its progress to produce more graduates
17 trained in applied science technologies and engineering. Annual
18 reports to inform and advise policymakers of the partners' success,
19 emerging issues, and resource needs if any shall occur by no later than
20 November 15 during the 2003-05 biennium.

21 (4) \$150,000 of the general fund--state appropriation for fiscal
22 year 2004 and \$150,000 of the general fund--state appropriation for
23 fiscal year 2005 are provided solely for research faculty clusters in
24 the advanced technology initiative program.

25 (5) \$165,000 of the general fund--state appropriation for fiscal
26 year 2004 and \$166,000 of the general fund--state appropriation for
27 fiscal year 2005 are provided solely for the implementation of the
28 Puget Sound work plan and agency action item WSU-01.

29 (6) \$949,000 of the general fund--state appropriation for fiscal
30 year 2004 and \$1,927,000 of general fund--state appropriation for
31 fiscal year 2005 are provided solely for competitively offered
32 recruitment and retention salary adjustments for instructional and
33 research faculty, exempt professional staff, academic administrators,
34 academic librarians, counselors, teaching and research assistants, as
35 classified by the office of financial management, and all other
36 nonclassified staff, but not including employees under RCW 28B.16.015.
37 Tuition revenues may be expended in addition to those required by this

1 section to further provide recruitment and retention salary
2 adjustments.

3 (7) \$1,500,000 of the general fund--state appropriation for fiscal
4 year 2005 is provided solely for a state match to attract or retain
5 federal research grants in high-demand and technologically advanced
6 fields.

7 **Sec. 605.** 2003 1st sp.s. c 25 s 606 (uncodified) is amended to
8 read as follows:

9 **FOR EASTERN WASHINGTON UNIVERSITY**

10	General Fund--State Appropriation (FY 2004)	\$40,861,000
11	General Fund--State Appropriation (FY 2005)	((\$42,183,000))
12		<u>\$42,497,000</u>
13	TOTAL APPROPRIATION	((\$83,044,000))
14		<u>\$83,358,000</u>

15 The appropriations in this section are subject to the following
16 conditions and limitations: \$248,000 of the general fund--state
17 appropriation for fiscal year 2004 and \$503,000 of general fund--state
18 appropriation for fiscal year 2005 are provided solely for
19 competitively offered recruitment and retention salary adjustments for
20 instructional and research faculty, exempt professional staff, academic
21 administrators, academic librarians, counselors, teaching and research
22 assistants, as classified by the office of financial management, and
23 all other nonclassified staff, but not including employees under RCW
24 28B.16.015. Tuition revenues may be expended in addition to those
25 required by this section to further provide recruitment and retention
26 salary adjustments.

27 **Sec. 606.** 2003 1st sp.s. c 25 s 607 (uncodified) is amended to
28 read as follows:

29 **FOR CENTRAL WASHINGTON UNIVERSITY**

30	General Fund--State Appropriation (FY 2004)	\$39,765,000
31	General Fund--State Appropriation (FY 2005)	((\$41,391,000))
32		<u>\$41,699,000</u>
33	TOTAL APPROPRIATION	((\$81,156,000))
34		<u>\$81,464,000</u>

35 The appropriations in this section are subject to the following
36 conditions and limitations:

1 (1) \$1,050,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$1,050,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided to expand university enrollment by 196
4 full-time equivalent students.

5 (2) \$206,000 of the general fund--state appropriation for fiscal
6 year 2004 and \$418,000 of general fund--state appropriation for fiscal
7 year 2005 are provided solely for competitively offered recruitment and
8 retention salary adjustments for instructional and research faculty,
9 exempt professional staff, academic administrators, academic
10 librarians, counselors, teaching and research assistants, as classified
11 by the office of financial management, and all other nonclassified
12 staff, but not including employees under RCW 28B.16.015. Tuition
13 revenues may be expended in addition to those required by this section
14 to further provide recruitment and retention salary adjustments.

15 **Sec. 607.** 2003 1st sp.s. c 25 s 608 (uncodified) is amended to
16 read as follows:

17 **FOR THE EVERGREEN STATE COLLEGE**

18	General Fund--State Appropriation (FY 2004)	((\$22,881,000))
19		<u>\$22,856,000</u>
20	General Fund--State Appropriation (FY 2005)	((\$23,618,000))
21		<u>\$23,858,000</u>
22	TOTAL APPROPRIATION	((\$46,499,000))
23		<u>\$46,714,000</u>

24 The appropriations in this section are subject to the following
25 conditions and limitations:

26 (1) \$124,000 of the general fund--state appropriation for fiscal
27 year 2004 and \$252,000 of general fund--state appropriation for fiscal
28 year 2005 are provided solely for competitively offered recruitment and
29 retention salary adjustments for instructional and research faculty,
30 exempt professional staff, academic administrators, academic
31 librarians, counselors, teaching and research assistants, as classified
32 by the office of financial management, and all other nonclassified
33 staff, but not including employees under RCW 28B.16.015. Tuition
34 revenues may be expended in addition to those required by this section
35 to further provide recruitment and retention salary adjustments.

36 (2) The Washington state institute for public policy shall research

1 the following issues and provide reports to the legislature as
2 directed. The institute board shall prioritize and schedule all
3 studies based on staff capacity.

4 (a) \$110,000 of the general fund--state appropriation for fiscal
5 year 2004 is provided solely for the Washington state institute for
6 public policy to review research assessing the effectiveness of
7 prevention and early intervention programs concerning children and
8 youth, including but not limited to, programs designed to reduce the
9 at-risk behaviors for children and youth identified in RCW
10 70.190.010(4).

11 Using this research, the institute shall identify specific
12 research-proven programs that produce a positive return on the dollar
13 compared to the costs of the program. The institute shall also develop
14 criteria designed to ensure quality implementation and program fidelity
15 of research-proven programs in the state. The criteria shall include
16 measures for ongoing monitoring and continual improvement of treatment
17 delivery, and shall be feasible for inclusion in a contract for
18 services. The institute shall develop recommendations for potential
19 state legislation that encourages local government investment in
20 research-proven prevention and early intervention programs by
21 reimbursing local governments for a portion of the savings that accrue
22 to the state as the result of local investments in such programs. The
23 institute shall present a preliminary report of its findings to the
24 appropriate committees of the legislature by December 1, 2003, and
25 shall present a final report by March 1, 2004.

26 (b) \$26,000 of the general fund--state appropriation for fiscal
27 year 2004 is provided solely for the Washington state institute for
28 public policy to develop adherence and outcome standards for measuring
29 the effectiveness of treatment programs referred to in Chapter 378,
30 Laws of 2003 (ESSB 5903). The standards shall be developed and
31 presented to the governor and legislature by no later than January 1,
32 2004.

33 (c) \$100,000 of the general fund--state appropriation for fiscal
34 year 2004 is provided solely for the Washington state institute for
35 public policy to study the relationship between prison overcrowding and
36 construction, and the current state criminal sentencing structure.

37 (i) The institute shall determine whether any changes could be made
38 to the current state sentencing structure to address prison

1 overcrowding and the need for new prison construction, giving great
2 weight to the primary purposes of the criminal justice system. These
3 purposes include: Protecting community safety; making frugal use of
4 state and local government resources by concentrating resources on
5 violent offenders and sex offenders who pose the greatest risk to our
6 communities; achieving proportionality in sentencing; and reducing the
7 risk of reoffending by offenders in the community.

8 (ii) In developing its research plan, the institute may consult
9 with the sentencing guidelines commission, the caseload forecast
10 council, and interested stakeholders.

11 (iii) The institute for public policy shall present a preliminary
12 report of its findings to the governor and to the appropriate standing
13 committees of the legislature by December 15, 2003, and shall present
14 a final report regarding its findings and recommendations by March 15,
15 2004.

16 (d) \$12,000 of the general fund--state appropriation for fiscal
17 year 2004 and \$12,000 of the general fund--state appropriation for
18 fiscal year 2005 are provided solely for the Washington state institute
19 for public policy to examine the results of the changes in earned
20 release under Chapter 379, Laws of 2003 (ESSB 5990). The study shall
21 determine whether the changes in earned release affect the rate of
22 recidivism or the type of offenses committed by persons whose release
23 dates were affected by the changes under the bill. The institute shall
24 report its findings to the governor and appropriate committees of the
25 legislature by no later than December 1, 2008.

26 (e) (~~(\$25,000 of the general fund--state appropriation for fiscal~~
27 ~~year 2004 and \$25,000))~~ \$90,000 of the general fund--state
28 appropriation for fiscal year 2005 (~~are~~) is provided solely for the
29 institute for public policy to conduct the evaluation outlined in
30 Second Engrossed Substitute Senate Bill No. 5012 (charter schools). If
31 the bill is not enacted by June 30, (~~2003~~) 2004, the amount(~~s~~)
32 provided in this subsection shall lapse.

33 **Sec. 608.** 2003 1st sp.s. c 25 s 609 (uncodified) is amended to
34 read as follows:

35 **FOR WESTERN WASHINGTON UNIVERSITY**

36	General Fund--State Appropriation (FY 2004)	\$53,645,000
37	General Fund--State Appropriation (FY 2005)	(\$55,537,000)

1 \$55,950,000
 2 TOTAL APPROPRIATION (~~(\$109,182,000)~~)
 3 \$109,595,000

4 The appropriations in this section are subject to the following
 5 conditions and limitations:

6 (1) \$980,400 of the general fund--state appropriation for fiscal
 7 year 2004 and \$980,400 of the general fund--state appropriation for
 8 fiscal year 2005 are provided solely for the operations of the North
 9 Snohomish, Island, Skagit (NSIS) higher education consortium.

10 (2) \$248,000 of the general fund--state appropriation for fiscal
 11 year 2004 and \$503,000 of general fund--state appropriation for fiscal
 12 year 2005 are provided solely for competitively offered recruitment and
 13 retention salary adjustments for instructional and research faculty,
 14 exempt professional staff, academic administrators, academic
 15 librarians, counselors, teaching and research assistants, as classified
 16 by the office of financial management, and all other nonclassified
 17 staff, but not including employees under RCW 28B.16.015. Tuition
 18 revenues may be expended in addition to those required by this section
 19 to further provide recruitment and retention salary adjustments.

20 **Sec. 609.** 2003 1st sp.s. c 25 s 610 (uncodified) is amended to
 21 read as follows:

22 **FOR THE HIGHER EDUCATION COORDINATING BOARD--POLICY COORDINATION AND**
 23 **ADMINISTRATION**

24 General Fund--State Appropriation (FY 2004) (~~(\$4,952,000)~~)
 25 \$4,958,000
 26 General Fund--State Appropriation (FY 2005) (~~(\$7,716,000)~~)
 27 \$17,746,000
 28 General Fund--Federal Appropriation (~~(\$642,000)~~)
 29 \$649,000
 30 TOTAL APPROPRIATION (~~(\$13,310,000)~~)
 31 \$23,353,000

32 The appropriations in this section are provided to carry out the
 33 policy coordination, planning, studies and administrative functions of
 34 the board and are subject to the following conditions and limitations:

35 (1) Within the appropriations provided in this section, funds are
 36 provided to continue the teacher training pilot program pursuant to

1 chapter 28B.80 RCW until standing authority for this program expires as
2 scheduled on January 1, 2005.

3 (2) \$175,000 of the general fund--state appropriation for fiscal
4 year 2004 and \$175,000 of the general fund--state appropriation for
5 fiscal year 2005 are provided solely to continue a demonstration
6 project to improve rural access to post-secondary education by bringing
7 distance learning technologies into Jefferson county.

8 (3) \$2,755,000 of the general fund--state appropriation for fiscal
9 year 2004 and (~~(\$5,520,000)~~) \$15,520,000 of the general fund--state
10 appropriation for fiscal year 2005 are provided solely to contract for
11 246 full-time equivalent students in high demand fields in fiscal year
12 2004 and an additional (~~(254)~~) 1,163 full-time equivalent students in
13 high demand fields in fiscal year 2005. High-demand fields are
14 programs where enrollment access is limited and employers are
15 experiencing difficulty finding qualified graduates to fill job
16 openings. Of the amounts provided, up to \$70,000 may be used for
17 management of the competitive process for awarding high-demand student
18 FTEs during the 2003-05 biennium.

19 (a) The board will manage a competitive process for awarding high-
20 demand student FTEs. Public baccalaureate institutions are eligible to
21 apply for funding and may submit proposals that include cooperative
22 partnerships with private independent institutions.

23 (b) Among coequals, the board shall make it a priority to fund
24 proposals that prepare students for careers in (i) nursing and other
25 health services; (ii) applied science and engineering; (iii) teaching
26 and speech pathology; (iv) computing and information technology; and
27 (v) viticulture and enology, but not to the exclusion of compelling
28 proposals that document specific regional student and employer demand
29 in fields not listed in this subsection. Proposals and grant awards
30 will separately identify one-time, nonrecurring costs and ongoing
31 costs.

32 (c) The board will establish a proposal review committee that will
33 include, but not be limited to, representatives from the board, the
34 office of financial management, and economic development and labor
35 market analysts. The board will develop the request for proposals,
36 including the criteria for awarding grants, in consultation with the
37 proposal review committee.

1 (d) Baccalaureate institutions that receive grants shall provide
2 the board and the forecast division of the office of financial
3 management with data specified by the board or the office of financial
4 management that shows the impact of this subsection, particularly the
5 degree of improved access to high-demand programs for students and
6 successful job placements for graduates. The board will report on the
7 implementation of this subsection by November 1 of each fiscal year to
8 the office of financial management and the fiscal and higher education
9 committees of the legislature.

10 **Sec. 610.** 2003 1st sp.s. c 25 s 611 (uncodified) is amended to
11 read as follows:

12 **FOR THE HIGHER EDUCATION COORDINATING BOARD--FINANCIAL AID AND GRANT**
13 **PROGRAMS**

14	General Fund--State Appropriation (FY 2004)	((\$145,217,000))
15		<u>\$145,228,000</u>
16	General Fund--State Appropriation (FY 2005)	((\$154,412,000))
17		<u>\$161,362,000</u>
18	<u>Health Services Account--State Appropriation (FY 2005) . . .</u>	<u>\$2,000,000</u>
19	General Fund--Federal Appropriation	((\$7,530,000))
20		<u>\$7,537,000</u>
21	TOTAL APPROPRIATION	((\$307,159,000))
22		<u>\$316,127,000</u>

23 The appropriations in this section are subject to the following
24 conditions and limitations:

25 (1) \$259,000 of the general fund--state appropriation for fiscal
26 year 2004 and \$273,000 of the general fund--state appropriation for
27 fiscal year 2005 are provided solely for the western interstate
28 commission for higher education.

29 (2) \$1,100,000 of the general fund--state appropriation for fiscal
30 year 2004 (~~and~~), \$1,100,000 of the general fund--state appropriation
31 for fiscal year 2005, and \$2,000,000 of the health services account
32 appropriation for fiscal year 2005 are provided solely for the health
33 professional conditional scholarship and loan program under chapter
34 28B.115 RCW. This amount shall be deposited to the health professional
35 loan repayment and scholarship trust fund to carry out the purposes of
36 the program.

1 (3) \$75,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$75,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely for higher education student child
4 care matching grants under chapter 28B.135 RCW.

5 (4) \$25,000 of the general fund--state appropriation for fiscal
6 year 2004 and \$25,000 of the general fund--state appropriation for
7 fiscal year 2005 are provided solely for the benefit of students who
8 participate in college assistance migrant programs (CAMP) operating in
9 Washington state. To ensure timely state aid, the board may establish
10 a date after which no additional grants would be available for the
11 2003-04 and 2004-05 academic years. The board shall disperse grants in
12 equal amounts to eligible post-secondary institutions so that state
13 money in all cases supplements federal CAMP awards.

14 (5) \$111,628,000 of the general fund--state appropriation for
15 fiscal year 2004 and \$120,420,000 of the general fund--state
16 appropriation for fiscal year 2005 are provided solely for the state
17 need grant program. After April 1 of each fiscal year, up to one
18 percent of the annual appropriation for the state need grant program
19 may be transferred to the state work study program.

20 (6) \$17,048,000 of the general fund--state appropriation for fiscal
21 year 2004 and \$17,048,000 of the general fund--state appropriation for
22 fiscal year 2005 are provided solely for the state work study program.
23 After April 1 of each fiscal year, up to one percent of the annual
24 appropriation for the state work study program may be transferred to
25 the state need grant program. In addition to the administrative
26 allowance in subsection (12) of this section, four percent of the
27 general fund--state amount in this subsection may be expended for state
28 work study program administration.

29 (7) \$2,867,000 of the general fund--state appropriation for fiscal
30 year 2004 and \$2,867,000 of the general fund--state appropriation for
31 fiscal year 2005 are provided solely for educational opportunity grants
32 pursuant to Chapter 233, Laws of 2003 (ESB 5676). The board may
33 deposit sufficient funds from its appropriation into the state
34 education trust fund as established in RCW 28B.10.821 to provide a one-
35 year renewal of the grant for each new recipient of the educational
36 opportunity grant award.

37 (8) \$1,919,000 of the general fund--state appropriation for fiscal
38 year 2004 and \$2,155,000 of the general fund--state appropriation for

1 fiscal year 2005 are provided solely to implement the Washington
2 scholars program. Any Washington scholars program moneys not awarded
3 by April 1st of each year may be transferred by the board to the
4 Washington award for vocational excellence.

5 (9) \$794,000 of the general fund--state appropriation for fiscal
6 year 2004 and \$845,000 of the general fund--state appropriation for
7 fiscal year 2005 are provided solely to implement Washington award for
8 vocational excellence program. Any Washington award for vocational
9 program moneys not awarded by April 1st of each year may be transferred
10 by the board to the Washington scholars program.

11 (10) \$246,000 of the general fund--state appropriation for fiscal
12 year 2004 and \$246,000 of the general fund--state appropriation for
13 fiscal year 2005 are provided solely for community scholarship matching
14 grants of \$2,000 each. To be eligible for the matching grant, a
15 nonprofit community organization organized under section 501(c)(3) of
16 the internal revenue code must demonstrate that it has raised \$2,000 in
17 new moneys for college scholarships after the effective date of this
18 act. An organization may receive more than one \$2,000 matching grant
19 and preference shall be given to organizations affiliated with the
20 citizens' scholarship foundation.

21 (11) Subject to state need grant service requirements pursuant to
22 chapter 28B.119 RCW, \$6,050,000 of the general fund--state
23 appropriation for fiscal year 2004 and (~~(\$6,050,000)~~) \$12,788,000 of
24 the general fund--state appropriation for fiscal year 2005 are provided
25 solely for the Washington promise scholarship program.

26 (12) \$2,667,000 of the general fund--state appropriation for fiscal
27 year 2004 and \$2,768,000 of the general fund--state appropriation for
28 fiscal year 2005 are provided solely for financial aid administration,
29 in addition to the four percent cost allowance provision for state work
30 study under subsection (6) of this section. These funds are provided
31 to administer all the financial aid and grant programs assigned to the
32 board by the legislature and administered by the agency. To the extent
33 the executive director finds the agency will not require the full sum
34 provided in this subsection, a portion may be transferred to supplement
35 financial grants-in-aid to eligible clients after notifying the board
36 and the office of financial management of the intended transfer.

37 (13) \$539,000 of the general fund--state appropriation for fiscal

1 year 2004 and \$540,000 of the general fund--state appropriation for
2 fiscal year 2005 are provided solely for the displaced homemakers
3 program.

4 (14) \$160,000 of the general fund--state appropriation for fiscal
5 year 2005 is provided solely for Washington Center scholarships. The
6 funds shall be used to support college students who participate in
7 Washington Center internships in Washington, D.C.

8 **Sec. 611.** 2003 1st sp.s. c 25 s 617 (uncodified) is amended to
9 read as follows:

10 **FOR THE STATE SCHOOL FOR THE BLIND**

11	General Fund--State Appropriation (FY 2004)	\$4,614,000
12	General Fund--State Appropriation (FY 2005)	(\$4,641,000)
13		<u>\$4,841,000</u>
14	General Fund--Private/Local Appropriation	\$1,335,000
15	TOTAL APPROPRIATION	(\$10,590,000)
16		<u>\$10,790,000</u>

(End of part)

PART VII
SPECIAL APPROPRIATIONS

Sec. 701. 2003 1st sp.s. c 25 s 701 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR DEBT SUBJECT TO THE DEBT LIMIT

General Fund--State Appropriation (FY 2004) (~~(\$570,186,000)~~)
\$562,886,000

General Fund--State Appropriation (FY 2005) (~~(\$626,814,000)~~)
\$628,766,000

Debt-Limit General Fund Bond Retirement Account--
State Appropriation (~~(\$10,000,000)~~)
\$17,300,000

State Building Construction Account--State
Appropriation (~~(\$7,014,000)~~)
\$8,922,000

Debt-Limit Reimbursable Bond Retirement Account--
State Appropriation \$2,587,000

State Taxable Building Construction Account--
State Appropriation (~~(\$322,000)~~)
\$465,000

Gardner-Evans Higher Education Construction Account--
State Appropriation \$2,087,000

TOTAL APPROPRIATION (~~(\$1,216,923,000)~~)
\$1,223,013,000

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriations are for deposit into the debt-limit general fund bond retirement account. The appropriation for fiscal year 2004 shall be deposited in the debt-limit general fund bond retirement account by June 30, 2004.

Sec. 702. 2003 1st sp.s. c 25 s 703 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO BE

1	REIMBURSED AS PRESCRIBED BY STATUTE	
2	General Fund--State Appropriation (FY 2004)	\$26,394,000
3	General Fund--State Appropriation (FY 2005)	\$24,805,000
4	Capitol Historic District Construction	
5	Account--State Appropriation	(\$299,000)
6		<u>\$323,000</u>
7	Higher Education Construction Account--State	
8	Appropriation	\$238,000
9	State Vehicle Parking Account--State	
10	Appropriation	\$102,000
11	Nondebt-Limit Reimbursable Bond Retirement Account--	
12	State Appropriation	\$128,375,000
13	TOTAL APPROPRIATION	(\$180,213,000)
14		<u>\$180,237,000</u>

15 The appropriations in this section are subject to the following
16 conditions and limitations: The general fund appropriation is for
17 deposit into the nondebt-limit general fund bond retirement account.

18 **Sec. 703.** 2003 1st sp.s. c 25 s 704 (uncodified) is amended to
19 read as follows:

20 **FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND**
21 **REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES**

22	General Fund--State Appropriation (FY 2004)	\$526,000
23	General Fund--State Appropriation (FY 2005)	\$526,000
24	Higher Education Construction Account--State	
25	Appropriation	\$35,000
26	State Building Construction Account--State	
27	Appropriation	(\$2,032,000)
28		<u>\$2,083,000</u>
29	State Vehicle Parking Account--State	
30	Appropriation	\$17,000
31	Capitol Historic District Construction	
32	Account--State Appropriation	\$45,000
33	State Taxable Building Construction Account--	
34	State Appropriation	(\$50,000)
35		<u>\$60,000</u>
36	<u>Gardner-Evans Higher Education Construction Account--</u>	
37	<u>State Appropriation</u>	<u>\$180,000</u>

1 TOTAL APPROPRIATION ((~~\$3,231,000~~))
2 \$3,472,000

3 **Sec. 704.** 2003 1st sp.s. c 25 s 709 (uncodified) is amended to
4 read as follows:

5 **FOR THE GOVERNOR--COMPENSATION--INSURANCE BENEFITS**

6 General Fund--State Appropriation (FY 2004) \$8,243,000
7 General Fund--State Appropriation (FY 2005) ((~~\$38,879,000~~))
8 \$34,184,000

9 Dedicated Funds and Accounts Appropriation ((~~\$41,232,000~~))
10 \$38,337,000

11 TOTAL APPROPRIATION ((~~\$88,354,000~~))
12 \$80,764,000

13 The appropriations in this section are subject to the following
14 conditions and limitations:

15 (1) The appropriation from dedicated funds and accounts shall be
16 made in the amounts specified and from the dedicated funds and accounts
17 specified in (a) LEAP document 2003-38, a computerized tabulation
18 developed by the legislative evaluation and accountability program
19 committee on June 2, 2003, and (b) OFM document 2004-01 dated December
20 18, 2003, which ~~((is))~~ are hereby incorporated by reference. The
21 office of financial management shall allocate the moneys appropriated
22 in this section in the amounts specified and to the state agencies
23 specified in LEAP document 2003-38 and OFM document 2004-01, and adjust
24 appropriation schedules accordingly.

25 (2)(a) The monthly employer funding rate for insurance benefit
26 premiums, public employees' benefits board administration, and the
27 uniform medical plan, shall not exceed \$504.89 per eligible employee
28 for fiscal year 2004, and ~~((~~\$592.30~~))~~ \$583.79 for fiscal year 2005.

29 (b) Within the rates in (a) of this subsection, \$4.13 per eligible
30 employee shall be included in the employer funding rate for fiscal year
31 2004, and \$2.11 per eligible employee shall be included in the employer
32 funding rate for fiscal year 2005, solely to increase life insurance
33 coverage in accordance with a court approved settlement in *Burbage et*
34 *al. v. State of Washington* (Thurston county superior court cause no.
35 94-2-02560-8).

36 (c) In order to achieve the level of funding provided for health
37 benefits, the public employees' benefits board shall require any or all

1 of the following: Employee premium copayments, increases in point-of-
2 service cost sharing, the implementation of managed competition, or
3 make other changes to benefits consistent with RCW 41.05.065.

4 (d) The health care authority shall deposit any moneys received on
5 behalf of the uniform medical plan as a result of rebates on
6 prescription drugs, audits of hospitals, subrogation payments, or any
7 other moneys recovered as a result of prior uniform medical plan claims
8 payments, into the public employees' and retirees' insurance account to
9 be used for insurance benefits. Such receipts shall not be used for
10 administrative expenditures.

11 (3) The health care authority, subject to the approval of the
12 public employees' benefits board, shall provide subsidies for health
13 benefit premiums to eligible retired or disabled public employees and
14 school district employees who are eligible for parts A and B of
15 medicare, pursuant to RCW 41.05.085. From January 1, 2004, through
16 December 31, 2004, the subsidy shall be \$102.35. Starting January 1,
17 2005, the subsidy shall be \$116.19 per month.

18 (4) Technical colleges, school districts, and educational service
19 districts shall remit to the health care authority for deposit into the
20 public employees' and retirees' insurance account established in RCW
21 41.05.120 the following amounts:

22 (a) For each full-time employee, \$42.76 per month beginning
23 September 1, 2003, and \$49.14 beginning September 1, 2004;

24 (b) For each part-time employee who, at the time of the remittance,
25 is employed in an eligible position as defined in RCW 41.32.010 or
26 41.40.010 and is eligible for employer fringe benefit contributions for
27 basic benefits, \$42.76 each month beginning September 1, 2003, and
28 \$49.14 beginning September 1, 2004, prorated by the proportion of
29 employer fringe benefit contributions for a full-time employee that the
30 part-time employee receives.

31 The remittance requirements specified in this subsection shall not
32 apply to employees of a technical college, school district, or
33 educational service district who purchase insurance benefits through
34 contracts with the health care authority.

35 (5) The appropriations in this section include amounts sufficient
36 to fund health benefits for ferry workers at the premium levels
37 specified in subsection (2) of this section, consistent with the 2003-
38 2005 transportation appropriations act.

1 **Sec. 705.** 2003 1st sp.s. c 25 s 712 (uncodified) is amended to
2 read as follows:

3 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--EDUCATION TECHNOLOGY**
4 **REVOLVING ACCOUNT**

5	General Fund--State Appropriation (FY 2004)	\$10,468,000
6	General Fund--State Appropriation (FY 2005)	(\$10,468,000)
7		<u>\$9,314,000</u>
8	TOTAL APPROPRIATION	(\$20,936,000)
9		<u>\$19,782,000</u>

10 The appropriations in this section are subject to the following
11 conditions and limitations: The appropriation in this section is for
12 appropriation to the education technology revolving account for the
13 purpose of covering operational and transport costs incurred by the K-
14 20 educational network program in providing telecommunication services
15 to network participants.

16 **Sec. 706.** 2003 1st sp.s. c 25 s 715 (uncodified) is amended to
17 read as follows:

18 **INCREASED FEDERAL ASSISTANCE.** (1) If the department of social and
19 health services or the department of veterans affairs receives federal
20 funding to enhance the federal medical assistance percentage for the
21 2001-2003 (~~or 2003-2005 fiscal biennia~~) biennium as a result of the
22 jobs and growth tax relief reconciliation act of 2003 (P.L. 108-27),
23 the moneys shall be expended as an unanticipated receipt under RCW
24 43.79.270 and 43.79.280, subject to the following conditions and
25 limitations:

26 (a) The moneys shall be expended in the manner required by the
27 federal act;

28 (b) The federal moneys shall be expended in a manner that will
29 maximize the conservation of state moneys, which shall be placed in
30 reserve status and remain unexpended; and

31 (c) The director of financial management shall notify the
32 appropriate legislative fiscal committees of proposed allotment
33 modifications prior to expenditure of the federal moneys.

34 (2) If the state receives federal funding for the 2001-2003 (~~or~~
35 ~~2003-2005 fiscal biennia~~) biennium as a result of the jobs and growth
36 tax relief reconciliation act of 2003 (P.L. 108-27) in addition to the

1 funding described in subsection (1) of this section, the moneys may be
2 expended as an unanticipated receipt under RCW 43.79.270 and 43.79.280,
3 subject to the following conditions and limitations:

4 (a) The moneys shall be expended in the manner required by the
5 federal act;

6 (b) The federal moneys shall be expended for necessary state
7 services and in a manner that will maximize the conservation of state
8 moneys, which shall be placed in reserve status and remain unexpended;
9 and

10 (c) The director of financial management shall notify the
11 appropriate legislative fiscal committees of proposed allotment
12 modifications prior to expenditure of the federal moneys.

13 **Sec. 707.** 2003 1st sp.s. c 25 s 718 (uncodified) is amended to
14 read as follows:

15 **AGENCY EXPENDITURES FOR TORT LIABILITY.**

16	<u>General Fund--State Appropriation (FY 2005)</u>	(\$10,638,000)
17	<u>Dedicated Funds and Accounts Appropriation</u>	(\$10,383,000)
18	<u>TOTAL APPROPRIATION</u>	(\$21,276,000)

19 The appropriations in this section are subject to the following
20 conditions and limitations: The office of financial management shall
21 (~~reduce allotments for all agencies by \$10,638,000 from 2003-05~~
22 ~~biennial general fund appropriations in this act~~) update agency
23 appropriation schedules to reflect the reduction in contributions to
24 the liability account(~~. The general fund allotment reduction shall be~~
25 ~~placed in unallotted status and remain unexpended~~) as identified by
26 agency and account in OFM document 2004-02 dated December 18, 2003,
27 which is hereby incorporated by reference.

28 **Sec. 708.** 2003 1st sp.s. c 25 s 723 (uncodified) is amended to
29 read as follows:

30 **FOR SUNDRY CLAIMS.** The following sums, or so much thereof as may
31 be necessary, are appropriated from the general fund, unless otherwise
32 indicated, for relief of various individuals, firms, and corporations
33 for sundry claims. These appropriations are to be disbursed on
34 vouchers approved by the director of (~~general administration~~) the
35 office of financial management, except as otherwise provided, as
36 follows:

1 (1) Reimbursement of criminal defendants acquitted on the basis of
2 self-defense, pursuant to RCW 9A.16.110:

- 3 (a) Kelly C. Schwartz, claim number SCJ 03-10 \$18,250
- 4 (b) Clinton Johnston, claim number SCJ 04-02 \$8,225
- 5 (c) Johnny Riley, claim number SCJ 04-05 \$1,500
- 6 (d) Gregory Nichols, claim number SCJ 04-06 \$3,995
- 7 (e) William Poll, claim number SCJ 04-07 \$31,106

8 (2) Payment from the state wildlife account for damage to crops by
9 wildlife, pursuant to RCW 77.36.050:

- 10 (a) Circle S Landscape Supplies, claim number
- 11 SCG 03-05 \$49,380
- 12 (b) Marilyn Lund Farms, claim number SCG 03-08 \$17,175
- 13 (c) Paul Gibbons, claim number SCG 03-09 \$12,414
- 14 (d) Bud Hamilton, claim number SCG 03-10 \$15,591
- 15 (e) Richard Anderson, claim number SCG 03-11 \$75,933
- 16 (f) Neil Ice, claim number SCG 03-12 \$73,474
- 17 (g) Carl Anderson, claim number SCG 03-13 \$120,943
- 18 (h) Lafe Wilson, claim number SCG 04-02 \$626

19 NEW SECTION. Sec. 709. A new section is added to 2003 1st sp.s.
20 c 25 (uncodified) to read as follows:

21 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--WASHINGTON INTEGRATED JUSTICE**
22 **INFORMATION BOARD**

23 Public Safety and Education Account--State
24 Appropriation \$150,000

25 The appropriation in this section is subject to the following
26 conditions and limitations: The appropriation in this section is
27 provided solely to support the program office of the Washington
28 integrated justice information board.

29 NEW SECTION. Sec. 710. A new section is added to 2003 1st sp.s.
30 c 25 (uncodified) to read as follows:

31 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--HELP AMERICA VOTE ACT**
32 General Fund--State Appropriation (FY 2004) \$3,140,000

33 The appropriation in this section is subject to the following
34 conditions and limitations: The appropriation in this section is
35 provided solely for deposit in the election account.

1 NEW SECTION. **Sec. 714.** A new section is added to 2003 1st sp.s.
2 c 25 (uncodified) to read as follows:

3 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--PATIENT COMPENSATION ACCOUNT**
4 Health Services Account--State Appropriation \$10,000,000

5 The appropriation in this section is subject to the following
6 conditions and limitations: The appropriation in this section is
7 provided solely for deposit in the patient compensation account for
8 capitalization of the account to assist in payment of judgments in
9 excess of providers' mandated levels of medical malpractice insurance
10 coverage. If legislation creating this account is not enacted by June
11 30, 2004, the amount provided in this section shall lapse.

(End of part)

PART VIII

OTHER TRANSFERS AND APPROPRIATIONS

Sec. 801. 2003 1st sp.s. c 25 s 801 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--STATE REVENUES FOR DISTRIBUTION

General Fund Appropriation for fire insurance premium distributions ((~~\$4,711,500~~)) \$5,344,000

General Fund Appropriation for public utility district excise tax distributions ((~~\$39,273,684~~)) \$39,860,559

General Fund Appropriation for prosecuting attorney distributions ((~~\$3,441,197~~)) \$3,671,015

General Fund Appropriation for boating safety and education distributions ((~~\$4,074,300~~)) \$4,147,426

General Fund Appropriation for other tax distributions \$34,750

Death Investigations Account Appropriation for distribution to counties for publicly funded autopsies \$2,123,723

Aquatic Lands Enhancement Account Appropriation for harbor improvement revenue distribution \$187,068

Timber Tax Distribution Account Appropriation for distribution to "timber" counties \$51,192,170

County Criminal Justice Assistance Appropriation ((~~\$52,131,000~~)) \$53,130,820

Municipal Criminal Justice Assistance Appropriation ((~~\$21,069,000~~)) \$21,069,120

Liquor Excise Tax Account Appropriation for liquor excise tax distribution \$32,624,831

Liquor Revolving Account Appropriation for

1 liquor profits distribution (~~(\$57,511,693)~~)
2 \$57,369,693
3 TOTAL APPROPRIATION (~~(\$268,374,916)~~)
4 \$270,755,175

5 The total expenditures from the state treasury under the
6 appropriations in this section shall not exceed the funds available
7 under statutory distributions for the stated purposes.

8 **Sec. 802.** 2003 1st sp.s. c 25 s 805 (uncodified) is amended to
9 read as follows:

10 **FOR THE STATE TREASURER--TRANSFERS.** For transfers in this section
11 to the state general fund, pursuant to RCW 43.135.035(5), the state
12 expenditure limit shall be increased by the amount of the transfer.
13 The increase shall occur in the fiscal year in which the transfer
14 occurs.

15 State Convention and Trade Center Account:
16 For transfer to the state general fund \$10,000,000
17 County Sale/Use Tax Equalization Account:
18 For transfer to the state general fund for
19 fiscal year 2004 \$74,000
20 Financial Services Regulation Fund: For transfer
21 to the state general fund at the beginning
22 of fiscal year 2005 (~~(\$1,632,000)~~)
23 \$7,285,437
24 Municipal Sale/Use Tax Equalization Account:
25 For transfer to the state general fund for
26 fiscal year 2004 \$374,000
27 Asbestos Account: For transfer to the state
28 general fund \$200,000
29 Electrical License Account: For transfer
30 to the state general fund \$7,000,000
31 Local Toxics Control Account: For transfer
32 to the state toxics control account \$4,059,000
33 Pressure Systems Safety Account: For transfer
34 to the state general fund \$1,000,000
35 Health Services Account: For transfer
36 to the water quality account \$8,182,000
37 State Treasurer's Service Account: For

1 From the Emergency Reserve Fund: For transfer
2 to the state general fund, not to exceed
3 the actual balance of the emergency reserve fund.
4 This transfer is intended to liquidate the
5 emergency reserve fund (~~(\$59,350,000)~~)
6 \$58,100,000
7 Department of Retirement Systems Expense Account:
8 For transfer to the state general fund (~~(\$1,500,000)~~)
9 \$3,500,000
10 Woodstove Education and Enforcement Account:
11 For transfer to the air pollution control account \$600,000
12 Multimodal Transportation Account: For transfer
13 to the air pollution control account for
14 fiscal year 2004. The amount transferred
15 shall be deposited into the segregated
16 subaccount of the air pollution control
17 account created in Engrossed Substitute
18 Senate Bill No. 6072, chapter 264, Laws of
19 2003. The state treasurer shall perform the
20 transfer from the multimodal transportation
21 account to the air pollution control subaccount
22 on a quarterly basis \$4,170,726
23 Multimodal Transportation Account: For transfer
24 to the vessel response account for fiscal
25 year 2004 \$1,213,704
26 Resource Management Cost Account: For transfer
27 to the contract harvesting revolving account \$250,000
28 Forest Development Account: For transfer to the
29 contract harvesting revolving account \$250,000
30 Site Closure Account: For transfer to the
31 state general fund \$13,800,000
32 Health Services Account: For transfer to the
33 general fund--state for fiscal year 2005 (~~(\$1,250,000)~~)
34 \$27,753,000
35 K-20 Technology Account: For transfer to the state
36 general fund \$1,281
37 Education Technology Revolving Fund: For transfer
38 to the state general fund \$954,000

1	<u>Gambling Revolving Fund: For transfer to the</u>	
2	<u>state general fund</u>	<u>\$3,000,000</u>
3	<u>State Building Construction Account: For transfer</u>	
4	<u>to the conservation assistance revolving account</u>	<u>\$500,000</u>
5	<u>Education Technology Revolving Fund: For transfer</u>	
6	<u>to the data processing revolving account</u>	<u>\$346,000</u>
7	<u>Digital Government Revolving Account: For transfer</u>	
8	<u>to the data processing revolving account</u>	<u>\$154,000</u>

9 **Sec. 803.** 2003 1st sp.s. c 25 s 806 (uncodified) is amended to
10 read as follows:

11 **FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--TRANSFERS**

12	General Fund--State Appropriation: For	
13	transfer to the department of retirement	
14	systems expense account: For the	
15	administrative expenses of the judicial	
16	retirement system	((\$21,901))
17		<u>\$12,000</u>

(End of part)

PART IX
MISCELLANEOUS

1
2
3 NEW SECTION. **Sec. 901.** A new section is added to 2003 1st sp.s.
4 c 25 (uncodified) to read as follows:

5 **FUND BALANCE TRANSFER.** At the end of fiscal year 2004, the office
6 of financial management shall transfer to the general fund-state fund
7 balance the unspent federal fiscal relief grant moneys received as a
8 result of P.L. 108-27 (federal jobs and growth tax relief
9 reconciliation act of 2003). Pursuant to RCW 43.135.035(5), the state
10 expenditure limit shall be increased by the amount of the transfer.

11 NEW SECTION. **Sec. 902.** A new section is added to 2003 1st sp.s.
12 c 25 (uncodified) to read as follows:

13 **AGENCY EXPENDITURES FOR MOTOR VEHICLES.** The use of hybrid motor
14 vehicles reduces air contaminants, greenhouse gas emissions and
15 reliance on imported sources of petroleum. To foster the use of hybrid
16 motor vehicles, beginning July 1, 2004, before the purchase or lease of
17 a motor vehicle, state agencies should first consider the feasibility
18 of hybrid motor vehicles. State agencies should strive to purchase or
19 lease a hybrid motor vehicle when the use of such vehicle is consistent
20 with and can accomplish the agency's mission and when the purchase is
21 financially reasonable. The financial assessment should include
22 savings accruing from reduced fuel purchases over the life of the
23 vehicle. Agencies shall report on their purchases of hybrid vehicles
24 in their biennial sustainability plans as required under executive
25 order 02-03.

26 **Sec. 903.** RCW 9.46.100 and 2002 c 371 s 901 are each amended to
27 read as follows:

28 There is hereby created the gambling revolving fund which shall
29 consist of all moneys receivable for licensing, penalties, forfeitures,
30 and all other moneys, income, or revenue received by the commission.
31 The state treasurer shall be custodian of the fund. All moneys
32 received by the commission or any employee thereof, except for change
33 funds and an amount of petty cash as fixed by rule or regulation of the
34 commission, shall be deposited each day in a depository approved by the

1 state treasurer and transferred to the state treasurer to be credited
2 to the gambling revolving fund. Disbursements from the revolving fund
3 shall be on authorization of the commission or a duly authorized
4 representative thereof. In order to maintain an effective expenditure
5 and revenue control the gambling revolving fund shall be subject in all
6 respects to chapter 43.88 RCW but no appropriation shall be required to
7 permit expenditures and payment of obligations from such fund. All
8 expenses relative to commission business, including but not limited to
9 salaries and expenses of the director and other commission employees
10 shall be paid from the gambling revolving fund.

11 During the ((2001-))2003-2005 fiscal biennium, the legislature may
12 transfer from the gambling revolving fund to the state general fund
13 such amounts as reflect the excess fund balance of the fund ((and
14 reductions made by the 2002 supplemental appropriations act for
15 administrative efficiencies and savings)).

16 **Sec. 904.** RCW 28A.650.035 and 1993 c 336 s 708 are each amended to
17 read as follows:

18 (1) The superintendent of public instruction may receive such
19 gifts, grants, and endowments from public or private sources as may be
20 made from time to time, in trust or otherwise, for the use and benefit
21 of the purposes of educational technology and expend the same or any
22 income therefrom according to the terms of the gifts, grants, or
23 endowments.

24 (2) The education technology account is hereby established in the
25 custody of the state treasurer. The superintendent of public
26 instruction shall deposit in the account all moneys received from
27 gifts, grants, or endowments for education technology. Moneys in the
28 account may be spent only for education technology. Disbursements from
29 the account shall be on authorization of the superintendent of public
30 instruction or the superintendent's designee. The account is subject
31 to the allotment procedure provided under chapter 43.88 RCW, but no
32 appropriation is required for disbursements.

33 (3) During the 2003-2005 biennium, the legislature may transfer
34 moneys from the education technology account to the state general fund
35 and the data processing revolving fund such amounts as reflect the
36 excess fund balance of the account.

1 **Sec. 905.** RCW 43.83.020 and 1991 sp.s. c 13 s 46 are each amended
2 to read as follows:

3 (1) The proceeds from the sale of the bonds authorized herein shall
4 be deposited in the state building construction account which is hereby
5 established in the state treasury and shall be used exclusively for the
6 purposes of carrying out the provisions of the capital appropriation
7 acts, and for payment of the expense incurred in the printing,
8 issuance, and sale of such bonds.

9 (2) During the 2003-2005 biennium, the legislature may transfer
10 moneys from the state building construction account to the conservation
11 assistance revolving account such amounts as reflect the excess fund
12 balance of the account.

13 **Sec. 906.** RCW 43.105.830 and 1999 c 285 s 9 are each amended to
14 read as follows:

15 (1) The K-20 technology account is hereby created in the state
16 treasury. The department of information services shall deposit into
17 the account moneys received from legislative appropriations, gifts,
18 grants, and endowments for the buildout and installation of the K-20
19 telecommunication system. The account shall be subject to
20 appropriation and may be expended solely for the K-20 telecommunication
21 system. Disbursements from the account shall be on authorization of
22 the director of the department of information services with approval of
23 the board.

24 (2) During the 2003-2005 biennium, the legislature may transfer
25 moneys from the K-20 technology account to the state general fund such
26 amounts as reflect the excess fund balance of the account.

27 NEW SECTION. **Sec. 907.** If any provision of this act or its
28 application to any person or circumstance is held invalid, the
29 remainder of the act or the application of the provision to other
30 persons or circumstances is not affected.

31 NEW SECTION. **Sec. 908.** This act is necessary for the immediate
32 preservation of the public peace, health, or safety, or support of the

1 state government and its existing public institutions, and takes effect
2 immediately.

(End of part)

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